

The Estonia ferry disaster: will the truth ever surface?



A revolutionary poet and his dramatic deaths



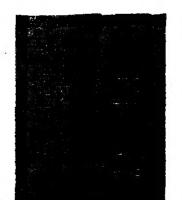
Weekend



Blood and solutions: the last part of **End Game** 

Page XII





how to spend it Kelly Hoppen on fabrics, feng shui and the deconstruction of her flat

http://www.FT.com

# US jobless figures at lowest peacetime level for 40 years

US unemployment fell to its lowest peacetime level in more than 40 years in 1998 as the year ended with another hiring surge amid scant sign of damage from global financial turmoil.

The unemployment rate fall to a seasonally adjusted 4.3 per cent in December from 4.4 per cent the month before, the Labor Departpent reported yesterday, and 278,000 jobs were created, the

largest gain in 15 months.

President Bill Clinton said the US had achieved an "economic renaissance" with the "longest peacetime expansion in history' surpassing the seven-and-a-halfyear upswing of the 1980s.

But the overall strength of the labour market continued to disguise a sharp divide. In the services sector job growth accelerated to its fastest rate of the year, while manufacturing, hit hard by the slump in the US trade balance, recorded a fourth straight

German jobless up

Unemployment in Germany rose sharply last month to 10.8 per cent of the workforce, giving fresh ammunition to sceptics who have been warning about the country's readiness for the euro. Report, Page 3

lowest since the 1969 figure of 3.5 per cent, during the Vietnam war. The last time the jobless rate was so low in a period of peace was in 1967, when it averaged 4.3 per cent.

Administration economists said some of the strong job growth in December was the result of unseasonally warm weather. A statistical anomaly may have overstated the number of government jobs created. But private-sector economists

acknowledged that the figures also reflected the underlying momentum of the US economy as lent years in recent history. The US economy is estimated to have grown at an annual rate of close to 4 per cent last year, and most omists expect it to slow to a rate of about 2 per cent this year Underpinning the sustained expansion has been strong consumer spending, buoyed by wage growth and a surging stock market and investment especially in high-technology capital goods.

also expected to decelerate in 1996 and did not. However, most economists believe a profits squeeze by companies and consumer retrenchment will cool the economy.

weaken this year, but they were

"We believe that economic growth will slow in 1999 but we admit that there is so far scent evidence for that view," said Bruce Steinberg, chief economist at Merrill Lynch, the investment bank, in New York.

Unusually, the tightest labour market in four decades is still producing no signs of accelerating wage inflation. Average earn- Bubbles will burst, Page 7

Both categories are expected to

ings increased by 3.8 per cent in the year to December, in line with the rate of increase for most of the year. In spite of the near absence of inflation, the strong labour market is likely to keep the Federal Reserve from making any further cuts in interest rates at least until there is firm evidence of a slowdown.

### PARTIES AGREE TO DEFER DECISION ON CALLING WITNESSES



Still out in the cold: President Clinton walks in the snow to Air Force One yesterday to fly to the international car show in Detroit. A compromise deal by the Senate over witnesses at his trial was a setback

### Senate in compromise over trial of Clinton

By Mark Suzman in Washington

The US Senate yesterday resolved a bitter debate over how to handle President Bill Clinton's impeachment trial as Republic cans and Democrats agreed to defer a final decision on whether

to call witnesses. The compromise was formu-lated during a highly unusual closed-door meeting of all 100 senators as part of a last-ditch effort to avoid the politically damaging prospect of a party-line vote on the matter. It follows days of increasingly divisive debate over competing proposals for the format of the trial.

The plan is a blow for the White House, that had hoped the Senate would approve an earlier Democratic proposal to exclude witnesses in the hope that it would lead to a faster trial.

But Republicans in the House of Representatives also expressed disappointment with the decision that will make it more difficult for them to call up to 15 witnesses they say are needed to support their case that Mr Clinton obstructed justice and committed perjury in covering up his

affair with Monica Lewinsky. Trent Lott, Republican senate majority leader, and Tom Daschie, his Democratic counterpart, said they hoped the decision would allow the Senate to avoid the bitter partisan atmosphere that characterised the impeachment debate in the House.

Under the new plan, House Republicans will next week pres ent their case against Mr Clinton, followed by a rebuttal from White House lawyers. At that point, the Senate will decide whether to call any witnesses before taking a final vote on the articles of impeachment.

AP An unstoppable train, Page 6

## Laid-off Ford workers call for pay cut

When workers at the Ford Motor nardo, in Brazil's industrial heartland, last went on strike in 1990, they smashed up cars in the one enter, fearing violent scenes downturn is particularly sharp. car park and vandalised the if it tried to bar the 2,800 work-

are suffering, so we are prepared to talk about pay cuts," said Luiz Marinho, president of the local carworkers' union. "We have to preserve these jobs."

For the past four days the oncemilitant workforce has responded distant prospect that a by ignoring the company. At 7am

"anti-strike". America's largest economy - the Facing a deepening recession suffocating effect of high interest and a 20 per cent fall in car sales on consumer activity and last year, Ford laid off 2,800 work- the growing fear of unemployers from the factory just before ment, which is already at record scared them."

Christmas, nearly half the steff. levels as the country slides into a long-drawn-out industrial dispute The Workers party (PT), Bra-

playing dominoes and asking for turned off and the factory left at was born there during a series of redundancies were necessary a standstill. The workers spent industrial disputes in the late because current production was We know that the carmakers yesterday playing cards on the 1970s and early 1980s. But the twice demand. "We need a sharp assembly line. They call it an optimistic class-war rhetoric of cut in costs," said Carlos anti-strike". that era has been replaced by a Augusto Marino, Ford's director. The Ford stand-off highlights weary pragmatism. "People used of human resources. the two key facts of life in Latin to be very aggressive towards the management," said Aldemir, one of the 2,800 laid-off workers. "But today they are behaving like interest rate policy, designed to angels. Unemployment has stabilise the currency, was

News

recession. There is also the still tory, the workers agreed in each day they have turned up for in an area known for political return Volkswagen, the largest work as if it were just another radicalism could spark broader carmaker in Brazil, withdrew its day. The company has let every-social unrest if the economic threat of wide-scale redundan-

Ford, which has 10 per cent of bosses' offices. This time they are ers. But the machinery has been zil's main left-wing opposition. the Brazilian car market, said the The union is concentrating

much of its fire on the govern-"arumeirum"

#### News General

### Saddam 'shaken' by attacks

US military leaders said there were signs that Saddam Hussein, the iraqi leader, had been "shaken" by last month's raids by US and British forces. They also increased their estimates of the damage done in the 70-hour attack and said Mr Saddam had lost some "key" officials in the raids. Page 4

Abdullah named Malaysia's deputy prime minister Mahathir Mohamad, Malaysia's prime minister, has announced the appointment of Abdullah Ahmad Badawi, the foreign minister, as his deputy, filling the post left vacant by the sacking under controversial inces of Anwar Ibrahim in September. Page 3

Thailand battles to stave off 'genetic pirates'
As the hunt for natural remedies intensifies, Thailand is battling to protect its treasures from "genetic pirates". Authorities are introducing legislation to protect the country's biodiversity and traditional knowledge of herbal remedies from foreign exploitation. Page 7

Disney recalls 3.4m copies of The Rescuers video Wait Disney has recalled 3.4m copies of The Rescuers video after it discovered two frames in the movie contained "an objectionable background image". It would not say what the image was.

#### Man in the News

Chris Gent

RAN WORLD

if this week's \$55bn bid by Vodafone, the UK mobile phone operator, for AirTouch of the US is successful, Chris Gent will head the first cellular company with the clout to compete head-to-head with AT&T and other big fixed-line operators.

Page 7





### Business

contributor to earnings. Page 23

### Mannesmann sees profit rise

Mannesmann, the German telecommunications and engineering group, forecast strong profits for 1998 after reporting a 50 per cent Increase in earnings on ordinary activities to €1.3bn (\$1.52bn). The company said its telecoms business was again the largest

AT&T drops plan for 'tracker' stock in TCI deal AT&T surprised Wall Street with a shift in the structure of its planned \$36bn purchase of TCI, a deal intended to provide the springboard for its attack on local telephone markets across the US. The US telecommunications group said it had dropped plans to create a separate class of "tracker" stock. Page 24

Buoyant European markets end week on a high

1180\_

European equity markets edged ahead yesterday, with the FTSE Eurotop 300 index rising 0.6 per cent. That left most bourses with substantial gains after a week that saw the introduction of the euro. Over the five trading days, the Paris market gained 7.6 per cent and Frankfurt 7.2 per cent. The new single currency seemed to highlight the investment

attractions of Europe, while takeover rumours in the telecoms and auto sectors added extra spice. International bond prices, Page 8; Currencies, Page 9; London stock market, Page 17; World stock

Mitsukoshi to sell 12% stake in Tiffany

Mitsukoshi, the troubled Japanese department store, is to sell its 12 per cent stake in Tiffany & Co, the upmarket jeweller. The company said it would dispose of its holding in a public offering, which at yes-terday's closing share prices would fetch about \$247m. Page 24

Gucci reports higher revenues at year's end Gucci, the Italian fashion company, ended a week of intense bld speculation by announcing a 23 per cent increase in revenues during November and December. Page 23

FT.com: the FT web site provides updated news and an online archive of back articles at http://www.FT.com

LSE dealing FTSE Actual \_18,19 Leader Page Gold markets Wall Street . Equity options 20.21 GLOBAL PRIVATISATION FUND World class performance from global privatisations. Privatisations - The Facts Since 1991, privatisation stocks as a whole have outperformed the MSCI World ex-US Index, reflecting Growth on US\$10,000 the efficiency and profitability gains which shareholder 1998 \$20,572 Whilst the UK programme has drawn to a close, we \$18,068 estimate that over the next 10 years over US\$350bn. of assets are earmarked for privatisation internationally. \$15,534 Privatised companies often become the largest traded stocks on their national exchange. The Global Privatisation Fund - The Facts \$11,689 Investec Guinness Flight pioneered the concept of privatisation funds with the launch of the first global privatisation UK unit trust, oifshore fund and index. Our Global Privatisation Fund is one of the best performing offshore global equity funds, having risen by 105% since its launch in May 1994'. The Fund is well diversified, with a current emphasis on Europe, which has the largest planned privatisation Call us now or complete and return the coupon. Investor, Castrines Hight Fund Managers (Castrines) Literated, Castrines Flight House, PO Box 236 St Peace Port, Castrinesy CY | JOH, Charmel Manus, Fax +44 #0 1481 77/2044 Phose send me INVESTEG Guinness Elight Global Asset Management

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PLEASANT SURPRISE ALL THE SYSTEMS THAT MIGHT HAVE GONE WRONG DIDN'T, THOUGH DUAL-DENOMINATION MAY YET PRESENT PROBLEMS

# smooth birth, all the family seem happy

By Wolfgung In Frankfurt

After years of dire warnings it came as a pleasant surprise that the birth of Frankfurt marked the occa-Europe's single currency sion by holding up a sign and coins are nothing other this week proceeded as saying that he, too, would

crash. Accounts did not get seemed lost for words when erased. Target, the cross-border payment system run by the European Central Bank, Fortunately, most of those managed to channel record sums from one corner of the euro-zone to another.

aged to be a strong currency iar. for now. on the first day of trading. There was no fundamental subsequently reversed the

**Markets** 

give new

currency

a fright

By Alan Beattle in London

launched on Monday.

The euro suffered its first

scare late vesterday when it dropped by more than a cent

against the dollar to its low-

est level since it was

The immediate cause of the fall was news - around the middle of the European

trading session - of a surprisingly large increase in

The release showed

employment in the US rising by nearly 400,000 in Decem-

ber, well above market

expectations. This contrasted sharply with German

labour market data released

in early European trading,

which showed unemployment rising by 34,000 in

December, slightly higher

After that initial fall, the

euro dropped again at the

end of trading in Europe. At one point it fell to \$1.154, its

around \$1.168. Large sales by

contrast between prospects

dron. "The market was

mance on employment, and

lace of Standard and Poor's

the second stage of the move

may have been exaggerated

by the inability of individual

in the currency markets,

leaving exchange rates more

than usual. But despite this,

this week corresponds to the

exchange sales at Citibank

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RIVE

MMS in London.

the euro's life.

than expected.

US employment totals.

albeit for different reasons.

smoothly as one could have now accept euros, unlike the euro anyway. many of the city's depart-Computer systems did not ment stores, whose cashiers customers insisted on paying next three years. Their in the unfamiliar new unit. buyers were journalists who were sent out to test the system. The real world has To top it all, the euro man- decided to stick to the famil-

Customers seem to have realised that there is little advantage in switching over especially since the euro to euros during the transi-

stock markets surged - duced Legally, a distinction unfamiliar denominations. ably short period until stock markets surged - duced Legally, a distinction hetween the euro and Previously it was customary everybody got used to the A beggar in downtown national money is meaning to denote the exchange rate new monetary regime. The less because national notes as the amount of D-Marks or same will happen in the than an odd denomination of

However, many people will

have to cope with a dualdenomination world for the income and most outgoings will typically be denominated in national currency, while their wealth will be denominated in euros, at least to the extent that their wealth is made up of bonds and shares.

This means that the euro is largely a currency for the financial markets - at least tional period until early for now. Here, Europeans

francs it would cost to buy sure-zone. Once the novelty \$1 or £1. Now the euro is the measure of all things. The the focus will switch back to new exchange rate is the familiar issues of unemexpressed in terms of how ployment, welfare reform, many dollars or pounds it

costs to buy €1.

Share prices and dividends, too, have been redenominated into euros which has led to some initial confusion. And, of course, there are also many fewer millionaires left in the 11 euro-zone countries if wealth is measured in euros.

But all this is bound to be forgotten in a few days. When the D-Mark was intro-

gains, but it was a nice 2002, when euro banknotes spent the first week of the duced in east Germany in of meetings this week in London new guidelines were broadcast to banks last night on the Swift interbank electronic message network. After the launch of the euro this week, half a dozen large banks were handling of the new money is gone, payment instructions in a way that did not comply with guidelines established

> to resolve ■ George Graham, Banking Editor, adds: International clearing banks and foreign exchange dealers have put pressure on a handful of hanks to change practices which have resulted in a large number of interbank payments ending up at the

economic policy co-ordina-

tion and exchange-rate man-

agement - far more difficult

Dutch and US banks were also not complying with the "I think it's fair to say the

rest of the market ganged up on them," said one banker.

by the Reathrow group, an

informal alliance of the big-

gest international payments

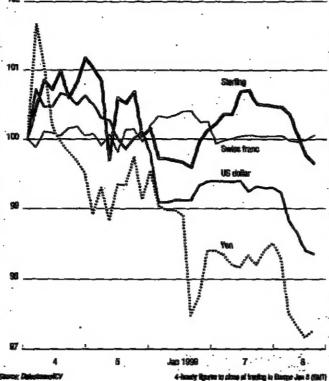
The errant banks included

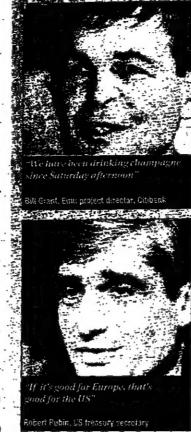
some of the largest German

banks, handling huge vol-

umes of euros, but some

How was it for you? The euro's first week





## lowest point since the new currency's launch and well below its opening value of Distribution of US investment banks were blamed by many for the fail. Cash seen as a Analysis said the sham Analysts said the sharp

many are impatient to set But Mr Wallace added that eyes on and handle Europe's single currency. But they will have to wait another three years.

central banks in the euro-In that time national govzone to intervene to support ernments and the European the currency without the Commission face two critical agreement of the European challenges; first, to complete Central Bank (ECB). Wim the massive industrial opera-Duisenberg, ECB president, tion of minting 60bn coins denied on Thursday that it and printing 13bn bank had intervened in the mar- notes. Second, to educate the kets in the first few days of public about its new cur-

The rapid fall in the euro Coins are already rolling may have been linked to a out of national mints, with continuing lack of liquidity governments building new strongholds in which to store them until 2002, Printsensitive to individual deals ling of notes will begin over the next few months, accordthe euro has not yet broken ing to a spokesman for Yves out of territory familiar to a Thibault de Silguy, the monpredecessor. "The limits of etary affairs commissioner, \$1.19-\$1.15 that the euro has after final tests were carried traded in against the dollar out at the end of last year.

But important decisions D-Mark's old range of still have to be taken about DMI.65-DMI.70", said Richtheir distribution. Retailers ard Moore, head of foreign argue strongly that the notes and coins should be distributed in advance of January lets - banks, post offices,

Clare MacCarthy in Copenhagen

Göran Persson, Swedish

Sweden could hold a referen-

dum on participation in

monetary union next year.

Social Democrats were likely

to debate Emu and the possi-

the firmest signal so far that lic support.

The clock is meanwhile ticking for public administrations which face the monumental challenge of altering computer programmes to denominated in euros in

BANK WARNINGS COUNTERFEITING SKILLS MAY BEAT NEW TECHNOLOGY

# Organised crime licks its lips over forgeries

By John Mason in London

When the European single currency project reaches the put a euro in your pocket, criminals can be expected to make full use of the new opportunities this will give them, security experts warn. If organised crime takes advantage of public confusion to use large quantities of counterfeit notes, it could cause considerable financial damage and loss of confi-

dence in the new currency. Serge Bertholome, trea-

"The risk for counterfeiting will be very high since the euro banknotes will be widely used. Organised crime is increasing and modern reproduction technology offers the opportunity to produce, even on easily available low-price devices, fairly ence organised by the London lawyers Stephenson Harwood to discuss the

VOTE ON CURRENCY WAIT AND SEE APPROACH MAY END NEXT YEAR [] ENTRY MOMENTUM GROWS IN DENMARK

on Emu participation. "I

Recent opinion polls in

Unlike Denmark, Sweden

our opt-out can be reversed on the euro - has adopted a and transaction costs by

wait and see approach.

Sweden may bring forward referendum

UK and Denmark, has In Copenhagen yesterday abstained from the first Ib Christensen, president of

round of monetary union - the confederation of Danish

In recent months, how- believe the mood among the

ever, both Mr Persson and Danish public has taken a

Nyrup Rasmussen, have this will lead to a referen-

Mr Rasmussen, in his New both Denmark and Sweden

arguing that the project industry, renewed his sup-

He warned the European as the real thing, he said. Union's institutional frame-

Measures by the European Central Bank, such as setting up an analysis centre and database would not be effective unless the roles of agencies such as Europol, the EU-wide police force, and the Commission were clari-

erated more, he said. could be is debatable. A to the money launderer's

However, one delegate euro could prove tempting forgers were now formidable. Hong Kong forgers now produced US dollars and security holograms as good

Mr Persson has argued

that the country could not

hold a referendum before

completing a detailed public

information campaign on the

practical implications of

Euro membership, which is

Senior officials within the

Social Democrats, however,

have warned that a party

congress might not reach

agreement on the timing of a

Large sections of Swedish

industry and the main oppo-

sition Moderate party have

called for early participation

in the euro zone, claiming

that Sweden risked a loss of

influence and higher interest

remaining outside.

due to begin this year.

referendum.

If the threat from counter-

only change, he argued. However, Ron Warmington, head of fraud prevention at Citibank, said that the euro could start to rival the dollar as the moneylaunderer's currency of choice. The increased speed of transactions and the ability to move money across benefit unless banks' training and detection systems

were improved.

Even before the single currency was launched there was a distinct euro theme to Christmas decorations strung up around Brussels' Grande Place, Many shops quickly entered into the spirit by converting their computers and sticking euro symbols in windows.

The Belgian approach could not be more different to that of countries with a strong bond to their national currencles. Home to the EU's institutions and itself divided into two linguistic regions, Belglum has long been used to the idea of shifting powers away from the national govern-ment to European institutions - not one political party campaigned in favour of maintaining the Belgian franc.

#### ITALY

it was a week of mixed emotion for Italians. The arrival of the euro has been greeted enthusiastically in newspaper headlines as a "new chapter in history", a "revolution for italy". Yet, strangely, there was a moment of nostalgle for the departing line, the most crisis-ridden currency in post-

Azeglio Clampi somewhat improbably hailed a currency which he has done as much as anybody to lay to rest. Arrid the acres of newsprint devoted to the new currency, there was much grand talk about what the euro

But the attention of most Italians will have been drawnto the tables in every newspaper that compared the prices of consumer goods in euros across 11 countries. "In Italy, you're best buying Levi jeans and Swatch watches," said Corriere della Sera, "but don't make phone calls". Italians learned this week that they are spending four times more euros making a three-minute city call than the French and

Atkins, Bonn: David White, Madrid; Emma Tucker, Brus-

#### FRANCE

## Académie rules in favour of euro-zone

EURO DIARY

The Académie Française, the highest authority on the French language, has put an end to the increasingly heated debate dividing France's intellectuals over the appropriate term to describe the geographic area using the new European single currency - the euro.

The choice of "la zone euro" - the euro-zone - was. seen as somewhat dull, but should come as a relief to the large number of writers, journalists and language expents tighting to abolish the term "euroland", which had gradually imposed itself after being used for several years in LR

and UK banks' dealing rooms. The academy declares that it is the term 'euro zone' which must be used in France and francophone counwhich must be used in France and Trancophone coun-tries," it said in a statement, "There has never been take of a 'dollarland' or 'sterlingland', but there exist a 'franc zone', a 'starting zone' and a 'dollar zone'."

In the past few days, as "euroband" seemed set to become the standard term, an anadrul of experts sought to

locertainty become the standard term, a hardula to expens southing to compromise by adding a final "e". "Eurolande", they claimed, was an honourable escape from the "Anglo-Saxon invasion". The academy, however, said any word containing "land" - or "lande" for that matter would be misleading. This is not about naming a sovereign state, or even a confederation, but only the area where a treaty is applicable," it said.

#### UNITED KINGDOM

## Europhobe press keeps quiet

The smooth launch of the euro - and the absence of widespread panic or insurrection - spoiled the new year for the editors of some of Britain's eurosceptic newspa-

While papers such as Rupert Murdoch's Sun and Times L have been campaigning vigorously to "save the pound" for years, the advent of the dreaded euro passed with little of the euro-bashing that might have been expected, instead. most British newspapers decided the momentous monetary events on the continent were less interesting than the new year blood-letting in Tony Blair's government.
"Welcome to euroland: Britain on sidelines as 300m

people in 11 states launch single currency," said the pro-European Guardian, summing up the sense of detachment from the events unfolding on the continent.

The loudest warning voices came from the Daily Mail, a rightwing tabloid, which reported senior officials in the UK Treasury denouncing the low calibre of staff being assem-bled at the European Central Bank.

The downbeat reaction of the most euro-phobic sections of the press will encourage Tony Blair, prime minister, who wants to take Britain into the euro, but fears a vote-damaging backlash from the UK media.

#### GERMANY

#### Little triumphalism

Germany's politicians have been remarkably reluctant to sound fanfares. In Bonn you would hardly notice the difference since Monday, and not just because Gerhard Schröder only returned mid-week from his holiday on the Costa del Sol. Whereas Helmut Kohl, the former chancellor, would have seen the historical symbolism, the new govemment's stance on Europe is pragmatic - and cartainly not triumphalistic.

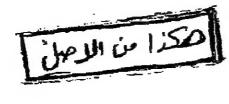
That has not stopped the German press, which generally supports ever greater European integration, from celebrathe euro's debut with bold and confident he Even the sober Frankfurter Aligemeine chastised Oskar Lafontaine, the finance minister, for refusing to interrupt his holiday for the New Year's eve meeting of finance ministers in Brussels. Die Zeit proclaimed on its main euro page: "The new currency changes the world." Underneath it debated the "duel with the dollar". And at the bottom of the page it wrote of "the great anget of the British".

#### Few regrets for peseta

El País, Spain's leading daily, greeted the currency's intro-duction as "the most important decision since the Euro-pean integration process was launched in the early 1950s". There was little to regret in the demise of the pessta, Spain's currency for the last 130 years, "a currency without credibility, subject to cyclical devaluations", the newspaper said. It saw monetary union giving Spain a better chance of narrowing its wealth gap with northern

#### BELGIUM

#### Not a dissenting voice



for economic growth in the US and the euro-zone was the cause of the original dron. "The warder and the euro-zone was the cause of the original dron." watching the relative perfor- By Emma Tucker in Brussels on the day," said Mike Wal- currencies have locked together to form the euro.

the US was the clear winner Now that 11 European a smoother transition by from day one. Under this scheme people

> caution. Some fear that too lead to the new euro notes confusion.

allow tax and benefit systems, for example, to be time for 3002.

2002 to a wide range of out- after a five-year education

shops and even the public. This, they argue, will lead to allowing a fast replacement of old currencies by the new

paying for goods in shops with the old currencies could expect to receive their change in euros on the morning of January 1 2002. However, the European Central Bank is advising

much "frontloading" could and coins entering circulation haphazardly before that date, creating widespread

Preparing the public for the changeover must also be tackled. The Commission spearheading the moves - is good copies of any printed taking its inspiration from picture," he told a confer-Britain, where decimal currency was successfully introduced in the early 1970s

prime minister, has given commanded insufficient pub- port for an early referendum

European economic and his Danish counterpart, Poul positive turn and hopefully

Mr Persson told reporters adopted a more pragmatic dum around the end of this

ble timing of a referendum Year address, said: "My perhave indicated growing at a special party congress sonal view is that I think it enthusiasm for the euro.

pave the way for a referen- employment and our welfare does not have an official opt-

dum in Sweden before the society that we join the euro out from the single currency.

country assumes the EU at some point. But the But the government - which

presidency at the start of choice must be ours alone, critics claim is itself divided

that the country's ruling approach to the single cur- year," he said.

early next year. That could is best for Denmark, for

Sweden, along with the only by a referendum."

surer of the National Bank of Belgium, recently gave what many regard as the most candid acknowledgement yet by a European central banker of the threat from organised crime.

impact of organised crime on the new currency.

work for fighting forgers was felting is clear, the issue of "far from ... satisfactory". money-laundering is more day in 2002 when you can Although the euro would cir- complex. Ruud Orrd, chairculate freely inside and outside the euro-zone, legislation and law enforcement ing group, believed the suro agencies were nationally based. This "dramatically increased the counterfeiting threat.

fied and law enforcers co-op-

speaker from De La Rue, the banknote printers, was confident that advanced technologies will ensure the real notes will have sufficient occurring but it will be more security features, such as holograms, to enable the will be a case of being outpublic to tell good from bad, run," he said. provided they are vigilant.

with considerable profes- for criminals of less sophistisional experience of counter- cation but greater brutality feiting argued the skills of

How good the forgeries more countries could work

man of the European Bankers' Federation fraud workwould present no new opportunities. A black guilder or franc would become a black euro, but that would be the

"I don't see more fraud difficult to recover funds. It

The introduction of the - armed bank robbers. The change-over period in 2002 will mean the amount of cash being physically held in banks will increase sharply.

## A moment of nostalgia

"Our glorious lira" was how the treasury minister Carlo meant for Italy. "It is the end of the Italian anomaly in which the Italian capitalist system goes on being heavily-

subsidised," said Massimo D'Alema, the prime minister.

By Samer Iskandar, Paris; George Parker, London; Palph sels; James Blitz, Rome,

--in contact AND THE PARTY

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Mahathir ends

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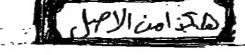
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MAN : Academie rules in la of euro zone

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SEA A

WEEK OF UPROAR SANTER DENOUNCES ACCUSATIONS OF IMPROPER LINKS BETWEEN HIS FAMILY AND EUROPEAN FINANCES

# EU chiefs fight off corruption charges

European commissioners missioners particularly tarning of the Leonardo proyesterday went on the offensive against mounting allegations of corruption, as frantic manoeuvring continued in the European Parliament ahead of a vote next week which could lead to

them all being sacked. At the end of a week of uproar, Jacques Santer, the Commission president, vigorously denounced suggestions in the Belgian media of improper links between his family and EU finances as

He told the French newspaper Le Republicain Lor- journalists she formally against

mounted against him. At the between herself and alleged media since last summer. understood to have surfaced cerns over mismanagement same time, one of the commismanagement in the run.

The Commission, mean-from papers on alleged fraud in EU programmes.

The Socialist group, parliegeted by the parliament, Edith Cresson, said she was "sickened" by what she called a "vindictive personal attack" against her.

Mrs Cresson, former French prime minister and now education commissioner, told Reuters she believed she was the victim of a political campaign. "We're coming up to [European Parliament] elections and I think there is a desire for human sacrifices," she

Mrs Cresson told other sain that a "plot" was being denied any connection parliament and European

gramme of youth training, more apparently bizarre to the Court of Auditors, the for which she is the commisstoner responsible. She insisted that no fraud had been found in the programme, which was about to be cleared by UCLAF, the EU's fraud investigation

The French commissioner, facing demands from two parliamentary groups for her resignation, said she was frustrated she had not been by sttacks.

rumours circulating in Brus- EU's spending watchdog, by sels this week, that it was in possession of rifles.

rifle had been brought for the Commission's security machine guns in 1982. Two carbines were bought in 1992. All were officially licensed, she said, and none had ever been used. The spokeswoman said the first given the opportunity to guns had been acquired at a defend herself against a time when Belgium was subseries of allegations ject to occasional terrorist

The rumour about rifles is

Paul van Buitenen, an assistant internal auditor at the

News of Mr van Buitenen's suspension by the Commission in December for leaking confidential documents inflamed tempers this week at the parliament, which is preparing to vote on a censure motion against the 20strong Commission next Thursday.

The motion was tabled last month after parliament voted against signing off the EU's 1996 accounts amid con-

ment's biggest, continued to suggest yesterday it might reverse its original position and support the censure motion if there was a clear "head of steam" behind attempts by other groups to sack individual commissioners. But the socialists are thought to be split, with suggestions some French and German members might

The centre-right European People's party, the second biggest group, plans to table an oral question demanding

## **Boeing** orders rise 15.5%

By Michael Skapinker, Aerospace Correspondent, In London

in 1998

Boeing of the US said yesterday that aircraft orders had risen 15.5 per cent last year, in spite of the Asian financial crisis and loss of important customers such as British Airways.

Boeing said it took firm orders for 656 aircraft, compared with 568 in 1997. However, the value of 1998 orders fell to \$42.1bn from \$42.8bn in 1997 because airlines ordered more narrow-bodied ets, which are cheaper.

After taking cancellations into account, Boeing took orders for 606 aircraft last year, compared with net orders of 502 in 1997.

Boeing said it delivered 563 aircraft in 1996, a 50 per cent increase over 1997. It had set a goal of delivering 550 aircraft last year but the target appeared in doubt because of production prob lems. The difficulties led to Boeing suspending some of its production for a month in 1997 and resulted in the dismissal of the head of its commercial aircraft operation last year.

Boeing said it expected to deliver 620 aircraft this year. The expected increase comes in spite of the Asian crisis, which led the company to announce last year that it would cut its workforce by about 20 per cent.

Airbus Industrie, Boeing's European rival, is to announce its 1998 order tally on Monday. The annual accompanied by acrimony. as the two challenge each other's figures.

Airbus has in the pas alleged that Boeing's figures included orders which had not been finalised. Boeing said yesterday, however that its 1996 figures included only orders for which it had received deposits.

The European consortium owned by Aerospatiale of France, DaimlerChrysler Aerospace of Germany, British Aerospace and Casa of Spain - won more orders than Bosing in 1994 and had high hopes of taking nearly half the world market this

Airbus won orders from traditional Boeing customers, including a consortium of Latin American airlines and British Airways, which ordered up to 188 narrowbodied aircraft from the European consortium. It was the first time BA had bought

#### clauses in regional or indusincreased unexpectedly allowing individual busisharply last month, giving nesses to agree their own terms with staff. "We must move away from the consenwarning about Germany's readiness for the new Eurosus society. But you can't do that in one step. That would be politically impossible. We have to make the change in partial steps," says Prof Neu-German public opinion has warmed to the euro. But the

German jobs

shine off euro

figures take

German unemployment

additional ammunition to

the sceptics who have been

The 34,000 rise in the num-

ber out of work to 4.16m (or

10.8 per cent of the work-

force) after seasonal adjust-

ment had no direct connec-

tion with the launch of the

euro last weekend, reflecting

instead slower economic

growth apparent at the end

of last year. But after falling

through most of 1998, the

sudden reversal punctured

the euphoria surrounding

the new currency's launch

In eastern Germany alone,

economics professor at Bonn University, the fear is that

the euro will only highlight

structural problems - and

that yesterday's rise in job-

esmess will not be the last.

"There's no country where

people are ready. It is not clear to most that the euro

will lead to much stiffer

competition. They don't

know that yet," says Profes-

sor Neumann, who a year

ago organised a letter to the

Pinancial Times from 155

academics calling for the

euro's "orderly postpone-

The biggest problem, he

says, is rigid labour markets.

Mobility does not have to be

as great as in the US. "But if

you don't have that high

degree of mobility then you

have to have greater wage

flexibility. In America the

mobility has a lot to do with

lifestyles. If people don't

want to move that is OK. But they have to accept the

umemployment rose 26,000. For Manfred Neumann,

pean single currency.

to repent. Wilhelm Hankel. the economics professor who last year tried in the constitutional court to stop the euro's launch, says he remains worried about the currency's stability. Joachim Starbatty, a fel-

sceptics also see little reason

low petitioner, says: "The euro's start was well prepared and went successfully - but the risks remain." Prof Neumann says it is

impossible, after just a week. to measure the euro's success. "In three or four years we will see if it has brought more or less unemployment." His fear is that Gerhard Schröder, the new chancellor who has put combating unemployment as his highest priority, will have to fight the next election in 2002 with a higher level of

Mr Schröder, he points out, was also sceptical about the timing of the euro's launch. They share, too, a pragmatic approach now the currency is a fact of life.

"Now we must look forward and see what we can do. German economists must competitive, that the labour market is finally deregulated," says Prof Neumann. "For me, the introduction of the euro is not an emotional occasion. I don't feel good or A first step towards bad about it. It is a question greater flexibility would be of economic rationality."

**NEWS DIGEST** 

MIDDLE EAST PEACE PROCESS

### Israel presses US for Wye pact aid despite standoff

Israel is continuing to press Washington for \$1.2bn in aid to help carry out the Wye River accords with the Palet ians signed in October, even though Benjamin Netanyahu, the prime minister, has frozen implementation of the agreements. Senior Israeli treasury officials are travelling to Washington tomorrow to continue talks launched in November by Ya'akov Neeman, the former finance minis

ter. The US has agreed in principle to the package. According to a US official, the administration agreed to continue the talks since negotiations on the terms of the aid will be lengthy. "We believe that eventually israel will fully implement the Wye accord," he said. However, the US expects Israel to continue transferring land to the Pal-estinians before receiving funds. Avi Machille, Jerusalem

#### **GREEK PRICES**

#### Inflation falls to 3.9% Greece's headline inflation rate last month dipped to 3,9

per cent from 4.2 per cent in November, amid optimism from Yannos Papantoniou, the economy minister, that consumer prices will approach those of the euro-zone by the end of this year. Lower international oil prices and cuts last autumn in taxes on fuel and cars helped push down the rate. The average inflation rate last year fell from 5.5 per cent to 4.8 per cent, the lowest in almost 30 years. Mr Paparitoniou forecast that inflation would fall to 1.9 per cent next December, enabling Greece to qualify for membership of the euro in 2001.

The government outperformed its inflation target by an unexpectedly wide margin, analysts said. The year-end inflation rate was projected at 4.3 per cent in March. To secure a place in the euro-zone, Greece must reduce average inflation to within 1.5 percentage points of the average of the EU's three best inflation rate performers. Kerin Hope, Athens

#### FRENCH INTERNET COSTS

### Law on pricing threatened

Laurent Fablus, speaker of the French national assembly, yesterday threatened to impose legislation to cut the cost of internet connection if the government, regulators and telecommunications operators failed to agree on a formula to lower costs to the user. The move follows last month's call by Dominique Strauss-Kahn, the finance minister, for a review of telecommunications pricing for internet users. The government is hoping to find a "friendly" compro-

mise with operators, to avoid legislation. Last month, ADIM - an association of "angry computer enthusiasts" - called for a 24-hour boycott of the internet in protest at the high prices charged by France Telecom, the partly privatised telecoms operator. ADIM said internet use in France, at FFr8.72-FFr16.70 (\$1.55-\$2.97) an hour, was three times more expensive than in italy. Samer lakandar, Paris

#### OLYMPIC SCANDAL

#### Salt Lake City heads to roll

The president and vice-president of the Salt Lake Olympic Organising Committee are expected to step aside in the wake of a bribery scandal. The officials were involved in Salt Lake's successful bid to host the 2002 Winter Olympics. That effort has become the target of four investigations of hundreds of thousands of dollars that went to scholarships and gifts for International Olympic Committee members and their relatives. AP, Salt Lake City

# Mahathir ends uncertainty with reshuffle

Peter Montagnon in London

Mohamad. Malaysia's prime minister, yesterday appointed Abdulah Ahmad Badawi, the forgn minister, as his deputy, ading months of uncertainty following the sacking of Anwar Ibrahim in Septem-

The move to fill the post of deputy, which has long been urged by government colleagues, was part of a broader cabinet reshuffle in which Dr Mahathir also gave up his separate responsibilities for the home and finance ministry portfolios.

Analysts said the change appeared to reflect recognition of criticisms that Dr Mahathir had concentrated arate development whereby too much power around him- Mr Anwar launched a suit too much power around himsalf as head of a government riven by controversy over its handling of the economy and the Anwar case.

The elevation of Mr Abdulid a popular figure with he public who, unlike many Malaysian politicians, has no close links to business, might boost the government's standing, but it gave no real clue as to whether he

voluntarily agreed to reduce

fresh anti-dumping suits

against Asian and East

US." the Japanese trade min-

istry's steel division said.

Steel exports have been fall-

The Japanese protest fol-

to Congress which proposed

bappen."

ally to succeed the prime minister himself, they said.

Dr Mahathir has carefully skirted this issue as well as the risk of a divisive contest within his own party by deferring, probably for about 18-months, elections due in June to top positions in the ruling United Malay National Organisation (Umno), whose deputy president is also traditionally

deputy prime minister. In that position Mr Anwar had earlier been seen as firm favourite for the succession until his sacking and arrest on charges of sexual misconduct and corruption.

Yesterday's announcement also appeared to be carefully timed to distract from a sepagainst Dr Mahathir, charging that the prime minister's position as home minister conferred on him responsibility for injuries sustained lah, a former civil servant when he was beaten following his arrest.

Malaysia's top policeman resigned earlier this week after an official report blamed the police for some of the injuries.

Steel dispute worsens

sary, self-initiated actions

Japanese trade ministry

officials said Washington

in US demand and the

Concerns over possible

Under the steel plan, the

monitor steel imports from

opposed to other steel

exporters, was a reflection of

strengthening of the yen.

to a decline in orders.

had been told that Japanese

denied US claims that it had levels, including, if neces-

exports and European Union under our Section 201 and

"There is absolutely no exports were on a declining

truth in the [claim] that we trend which the industry

have made a commitment to expects to persist through-

reduce steel exports to the out 1999 because of an easing

ing, and we expect them to anti-dumping duties on Japa-

continue that trend, but that nese imports, which the US is merely a forecast and it is blames for almost half the

uncertain what will actually rise in imports, have also led

lowed a White House report Clinton administration will

\$300m in tax breaks for the Japan on a monthly basis.

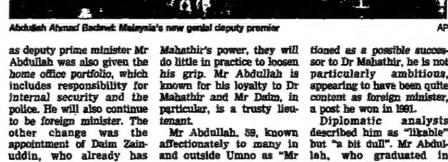
US steel industry, which is Officials said the fact that

facing a surge of imports the report targeted Japan, as because of the collapse of opposed to other steel

"It is our expectation that US impatience with Japan's

Japan's exports will return slowness to take steps to

producers threatened two antidumping law."



responsibility for the econ-

omy, as finance minister.

fair share" to absorb steel

imports in the wake of the

Asian crisis. The EU esti-

mates that imports rose by

Eurofer, European produc-

ers' association said it would

not seek anti-subsidy action

by the World Trade Organi-

sation for the time being to

avoid aggravating steel trade

tensions between the US and

Europe, However, Eurofer

said the subsidy was "ques-

tionable" under WTO rules.

It said the possibility of a formal complaint would be

EU producers welcomed a

Commission decision to start

formal investigations into a

complaint that hot rolled

coil - used to make indus-

moto in Tokyo, Neil Buckley

kept under review.

50 per cent in 1998.

particular, is a trusty lieu- a post he won in 1991.

Mr Abdullah, 59, known Though the appointments defence minister in 1984, two children and is appear to dilute Dr Though sometimes men- as a strict Moslem.

Abdullah was also given the do little in practice to loosen sor to Dr Mahathir, he is not home office portfolio, which his grip. Mr Abdullah is particularly ambitious, known for his loyalty to Dr appearing to have been quite Mahathir and Mr Daim, in content as foreign minister,

3.

Diplomatic analysts described him as "likable" appointment of Daim Zain- affectionately to many in but "a bit dull". Mr Abdul-uddin, who already has and outside Umno as "Mr lah, who graduated in

## Nice Guy," was first Islamic studies from Univerappointed to the cabinet as sity Malaya, is married with defence minister in 1984, two children and is regarded

## Canada winning over Japanese exports struggle to cut Global steel trading tensions to ensure that imports from trade commissioner, said the

By Scott Marrison in Toronto

generated almost 450,000 1990s. new jobs in 1998, representnews vesterday came as welcome relief to political leaders, who have struggled this decade to reduce the high

The figures put Canada

Canada added 24,000 new 1998, but the December jobless rate remained trial products - 15 Deling
dumped by Bulgaria, India,
Iran, South Africa, Taiwan
and Yugoslavia.

The economy has gener-

The Canadian economy the lowest it has been in the

creation accounted for almost 300,000 new jobs in 1998, while the public sector added 35,000 new positions. Almost 120,000 Canadians joined the ranks of the self-employed last year. Economists said momen-

ation, particularly the 194,000 positions created in the final quarter of 1998, at 8 per cent, as the labour should carry over into this year. But they warned that seasonal effects on the construction industry could trim job growth in the short term, though the government itself next year may

# priate WTO-consistent at the US plan. A spokesman actions under our trade laws for Sir Leon Brittan, the unemployment esculated yesterday as Japan Japan return to pre-crisis EU was doing "more than its

unemployment rate.

top among Group of Seven countries for job creation and second only to Ireland among nations belonging to the Organisation of Economic Co-operation and Development

in London, Michiyo Naka- ated 820,000 new jobs in the past two years, with 1998 in Brussels and Deborah representing the best job

# cent unemployment rate is

Most encouraging was a

ing an annual job growth sharp jump in youth employ-rate of 3.2 per cent. The ment in 1998, with 143,000 new jobs, the largest gain in 20 years. The youth unemployment rate edged down the year at 14.4 per cent. Overall, private sector job

jobs in the finel month of tum from strong job cre-

#### The European Commission it said. "The administration ands ready to take approsaid it would look carefully McGregor in Washington growth performance this increase employment. GUBERNATORIAL AND STATE ASSEMBLY ELECTIONS CLAMOUR GROWS ACROSS COUNTRY FOR A RETURN TO TRUE FEDERALISM

# Devolution offers fresh hope in Nigeria

state governors and assem-

goes well, for the first time system run by soldiers. in years successful candi-dates can hope to preside rule brings with it not only a over federalised and demo-cratically governed states what remains of that system and address the issues but a new constitution offersions. But if the exercise is least 13 per cent of their revvote-buying that has charac- allocated by government. terised past polls, the structure at the heart of Nigeria's our in Nigeria for a return to ment polls and concludes a broad coalition advocating

Nigeria takes the penulti- with their dependence on mate step on its road to the centralised military democracy today when the regimes which have ruled country's three political par- Africa's most populous ties contest elections for nation for all but 10 of its 38 years of independence. Regional governors became The stakes are high. If all key players in a patronage

Given the growing clam-

oil but remains one of its Elections there have been postponed while troops try ceeds from local oil wells.

been underlined.

Their ability to capitalise on initial successes will be challenged today by an electoral pact signed recently by the two other parties qualified to run. The Alliance for Democ-

racy draws its support from the Yoruba ethnic group in the restive south-west of the country. It favours radical restructuring of the federation and a power shift from the traditionally dominant People's party is a broader Last month's local govern- national coalition of political

unlikely partners. The AD includes some of the fiercest

angan angan gapan bermalag makamatah ji jaran <del>kabang sanga</del>n manak<del>an dan mangan manang menggan</del> dan banas banda

prominent politicians who supported Gen Abacha's dishimself in elections. In the face of the emerging

dominance of the PDP, the two have agreed to collaborate in several states today presidential candidate in

ing the status quo. All three camps have

On paper, at least, they are accused each other of plans to rig the polls. Police in at least one state are under

to pre-crisis levels in 1999."

demand in Asia.

behind bitter regional divi- ing control by states of at marred by the fraud and enues, in addition to funds

steadily increased along sure to award further concessions toward devolution. Nowhere is this issue more keenly felt than in the southern state of Bayelsa,

> to curtail a violent campaign ing a fairer share of the pro-Elsewhere, continuing process, which began last landslide victory by the month with local govern- People's Democratic party -

weaknesses of the emerging political structures have also In some instances losers in acrimonious party primaries

which produces close to a crossed the floor to join the third of Nigeria's 2m b'd of ranks of their former opponents. With notable excepleast developed regions. tions, wealth and personality bave played a greater role in selection proceedings than either clean reputations or by local activists from the allegiance to the policies of Ijaw ethnic group demand- parties which came into existence less than six months north to the south. The All

enthusiasm for the electoral ment polls were won in a personalities. political system could be true federalism, the civilian next month with parliamenofficial system count be government due to be in tary and presidential elec-stally flawed. government due to be in tary and presidential elec-trally flawed. economy and including to Sani Abacha, who died in attempting to steal ballot the number of states in place by May 28 is likely to tions, has been evident dur-prominent political figures office last June. The APP on boxes.

February. Both parties claim the PDP is being supported from the shadows by powerful members of the military with an interest in preserv-

# US general claims up to 1,600 Iraqi troops killed

US military leaders said that Saddam Hussein, the lraqi leader, had been "shaken" by last month's US and British raids.

initial estimates of the dam- attacks. age done in the 70-hour

Henry Shelton, the army general who chairs the US can Guard killed could be as chiefs of staff, said that high as 2,000. between 600 and 1,600 members of the Iraqi Republican Guard, the main military pillar of the Iraqi leader's sup-They also stepped up their port, were killed in the

the numbers of the Republi- dam or to lead.

also said intelligence reports year. indicated "several key indiupper structure" had been seen a number of unusual. Such executions could still army. He had divided the

sile assault last month, said available to advise Mr Sad- clearly demonstrates that he civilians, he said.

Gen Zinni also said that the Pentagon now believed Gen Shelton said the esti- the raids had set back the ety of sources. However, he the initial estimate of one

was shaken and the regime was shaken".

tions included executions of Zinni said the indications there is some disgruntlemilitary commanders in the suggested "disgruntlement" firmed reporting from a variity by two years, instead of south of the country. "We of some regular army units and who they answer to, have seen executions in the in the south. This may have said Gen Zinni. south. One division particu- followed from the new com-He said that in the after- larly lost its commander and mand structure Mr Saddam Gen Anthony Zinni, who viduals that were in the math of the attacks "we've several others," he said. had put in place over the

Both men were careful not in charge of the zonas.

to predict the imminent He also said these indica- demise of Mr Saddam. Gen

had lost some "key" officials then Desert Fox air and mis-killed and were no longer things internally that I think be continuing and also affect country into four zones and in the attacks. "I think there is some con-

fusion in the ranks, and ment with how this is done He said there had been

more than 40 violations of the "no fly" zones since

extremist Islamist elements

in the Arab world but will

work against Baghdad's bid

"Saddam's way to deal

to end its regional isolation.

with this frustration is to

amplify the crisis," said one

senior western diplomat. "By

looking completely unrea-

sonable, he wants to force

other parties to exercise rea-

advantage may be that the

# Kazakh leader certain one-horse

By Carlotta Gail in Almaty

Huge billboards stand over the main streets of Kazakh stan's business capital Almaty. They show a smiling president walking through weist-high golden corn. or crouching laughing with his three grandchildren

on the central Asian steppe: anyone's mind who is going to win tomorrow's presidential elections. Nursultan Nazarbayev, the 58-year-old leader of Kazakhstan since Soviet times, dominates the election campaign.

venibrac't

He promises stability and son and come up with ways continuity, saving a young country should not change to get Iraq out of the horses mid-stream. He has Ultimately, his greatest warned the population of US finds itself in a similar 16m that they face harsh economic difficulties over impasse. The Iraqi president the next two years. The is challenging it to strike worsening economy is widely thought to be the res. again with the knowledge that the cost of new strikes son behind his decision in call elections 18 months before they were due.

As one Arab official puts The move caught oppoit. Mr Saddam's end game nents off guard, giving then little time to organise. Nev-ertheless the president has now is to sink the US more left nothing to chance. Showing an unexpected heavyhandedness, Mr Nazarbayev, seen in the west as a reformer and a moderate, has presided over a campaign marred by violence

and intimidation. "There has been a pattern of harassment and violence to ensure Nazarbavev's reelection." said a western dirlomat. "This, in our mind, is not democratic.

The Organisation of Security and Co-operation in Europe has declined to send a full observer mission.

Mr Nazarbayev's main rival, the former prime minister Akezhan Kazhegeldin. was disqualified on a technicality. The remaining candidates lie well behind the incumbent in opinion polls.

Gani Kasymov, the 48year-old chief of the State Customs Committee and a former presidential adviser. is the closest opponent. A former general, he has grabbed the limelight with populist rhetoric against government corruption and the lack of accountabili officials.

He won nationwide notoriety for his combative interview style, hurling a vase of flowers at a television interviewer who sked about his alleged ondness for alcohol.

Yet Mr Kasymov is seen by many as there only to provide the appearance of a competitive race. Despite his vicorous speech, he has refrained from attacking the president directly.

The remaining two candidates are lacklustre and unlikely to win more than a small percentage of the vote between them. The leader of the Communist party, Serikbolsvn Abdildin 61. has, however, been the most outspoken in his criticism of the current regime and election

violations. "For certain there are going to be falsifications during the vote counting," he warned at a press conference yesterday in

Almaty. Mr Abdildin has called for political reforms as a priority and a reduction of the strong powers of the Kazakh president in favour of parliament and the

Engels Gabbasov, an academic and currently a deputy of Kazakhstan's upper chamber. parliament, also 61; has made few ripples, and has kept his campaign promises to such issues as closing Russian test sites in

Kazakhstan. The man in the street readily accepts that the election result is a foregone conclusion.

"We do not just think, we know Nazarbayev will wir, without any doubt," said Misha, a builder heading home from work.

CORRECTION

Because of a transmission error, the names of two individuals were misspelt in III article in yesterday's Financial Times on the US embargo of Cuba. The two names are Mark Falcoff of the American Enterprise Institute and Marc Thiessen,

# In Baghdad, Saddam's grip on power appears as strong as ever

Careful preparation allowed the Iraqi leader to make the most of a modest hand in the wake of the US air strikes. Roula Khalaf reports from Baghdad

Kenyan banks

dubious lending

Micah Cheserem, governor Kenya over the next few

yesterday called for the country's economy and lay country's banks to apply far down conditions for formal

more stringent conditions to negotiations, according to

with the Kenyan banking Esaf, although talks are

community, he called for likely to take some time.

urged to end

of the unknown soldier on Army Day this week, they sent a message that the army remained united and

It seemed of little concern that the generals were stand- an impasse, Mr Saddam is ing in the shadow of Iraq's military industrialisation sending missiles and war-

The picture captured the the Anglo-American strikes. technical success, as evidenced by the devastation of specific military buildings scattered around Baghdad and the virtual absence of Desert Fox to Mr Saddam any collateral damage. But equally evident is what little. The heavy pounding of his

of the central bank of Kenya,

loans, no matter how high-

lenders to insist that any

loan requests be accompan-

appraisal, securities other

than official rank, and that

they should be followed up

by regular visits to the proj-

tion between people of influ-ence and bad debts," said Mr

Cheserem, "The position of a

borrower should not count

follow a year of turbulence

in the Kenya banking sector.

Five banks collapsed in the

second half of 1998, and the

government was forced to

provide a Ks2bn (\$34m) bail-

out for the National Bank of

Kenya after rumours of illi-

Late in November the cen-tral bank disclosed that a

number of establishment fig-

ures, including Nicholas

Biwott, the influential min-

ster for east African

co-operation, and Raymond

Kipruto Moi, the president's

son, owed billions of shil-

lings to Kenyan banks which

team to examine the difficul-

ties late last year, has placed

improved bank supervision

high on the list of Kenya's

priorities ahead of talks

on resuming the country's

frozen \$220bn Enhanced

The International Mone-

had failed in recent years.

quidity provoked a run.

Mr Cheserem's comments

as security."

"We have found a correla-

Speaking after a meeting

ranking the borrower.

A hen Saddam Hus- effect the operation has had V sein's top military on Mr Saddam's power at advisers paraded home and how much it before Baghdad's monument risked making him even more dangerous to his own people and to the Middle East as a whole.

With the United Nations Security Council paralysed and policy towards Iraq at now escalating the crisis. commission, a building planes to clash with US and badly damaged two weeks British jets over the north-earlier by US cruise missiles. ern and southern no-fly sones and calling on Arabs two contradictory results of to overthrow regimes allied with the US. Expectations in Operation Desert Fox was a Baghdad are that his increased vigilance could lead to heavier internal

> The costs of Operation were largely psychological.

An IMF team due to visit

weeks is to assess the

officials. There are already

indications that the IMF will

be willing to resume the

Early indications were

that any new facility would

be heavily back-loaded and

tied to continuing reforms.

But recent concerns over the

country's balance of

payments may lead to a

more traditional-style

package, according to IMF

international financial support would be an

important boost to the

country's economy, which

grew by only 1.6 per cent

lust year - well below the

But Kenya analysts are

concerned that a premature

resumption of the Esaf

would send a dangerous

signal to the government, as

corruption continues to

pervade almost every facet

of political and economic

"There is absolutely no

through

excuse for the IMF to relent

on its governance criteria,

straightforward balance of

payments support or

through an Esal," said

Robert Shaw, from Kenya's

Institute of Economic Affairs, "There is no

slowdown in the level of

The country's notorious

Goldenberg scam, where

billions of shillings were

paid out to well-connected

establishment ligures.

corruption in Kenya."

whether

increase in population.

A resumption

officials.

home town in Tikrit was a control of the regions in case regime is a favourite guess- out of the ruins of the US ers found resonance among personal humiliation. That communications with Baghhis prized military infra- dad were cut. structure was blown to pieces further undermined drawn from trusted mem-But Mr Saddam counters

psychological pressure with He carefully managed internal stability during the crisis and is now better preparing for any further US and British offensives. Mr Saddam began planning for the December attack two months earlier, when at the end of last October it became clear that Iraq's relationship with UN weapons inspectors was doomed.

By the time the US and Britain struck, he had divided the country into four regions, assigning command for each to a close aide. The sensitive south, home to Moslem Shias long repressed by Baghdad, was entrusted to Ali Hassan Majid. a close adviser and member of Mr Saddam's Tikrit clan. The

new appointments ensured

Armed civilian groups bers of the ruling Baath party fanned out across the country during the strikes, extraordinary practicality, guarding practically every intersection in every large city. Because Iraq believes the US attempted to break the south from the rest of the country during the strikes, the civilian militias have now been kept on alert in the main southern city of

Military casualties were no doubt much higher than the 68 deaths reported by the Iragi authorities. But even the most vociferous critics of the regime admit that the Republican Guard, Iraq's élite units and a main target first missile hit. So, it is believed by many, was a good part of the military hardware.

Looking inside the Iraci

ing game in Baghdad But and British offensive. occasional vague military communiqués make clear that Mr Saddam has been regrouping in the past two weeks and setting out a strategy to survive further strikes. "He's the manager of a third division soccer team playing against first divi-

sion, and we are at half-time," said one diplomat. That the population feels apparent. Ordinary Iraqis are today less willing to risk even mild criticism of the government, instead expressing concern that a post-Saddam era could be worse than But if Mr Saddam has been

able to maintain control, and perhaps even strengthen his. internal grip on power, why of the air strikes, had been is he so quickly rushing to dispersed long before the create trouble again? His problem is that he is

Saddam is removed from struggling to capitalise on Desert Fox and lacks a clear political strategy that which he called for a revoluextracts political benefits tion against other Arab rul-

gained sympathy from ordinary Arabs across the Middle East. But what can he do with these political cards? Russia,

This is a great source of

He has rid his regime of

Unscom, the UN weapons

inspectors' special commis-

sion. He has also divided the

UN Security Council and

frustration.

China and France are calling for a lifting of the eight-yearold oil embargo and for a new inspection mechanism that focuses on ensuring that Baghdad does not redevelop weapons of mass destruction rather than on continuing to hunt for the for US policy in the Arab remaining capabilities. But world would be significant. these proposals clash head on against a pillar of US strategy towards Iraq - to maintain sanctions until Mr

His speech this week in

deeply into the Iraqi quagmire and ensure that, by setting out to destroy him, Washington would first shat-

ter its own policy towards

# School skirmish over Stars and Stripes that flagged US loss of Panama canal

By James Wilson In Panama City

Today in the Peace Gardens cemetery, not far from the grave of Margot Fonteyn, Panama remembers one of its most celebrated outbreaks of anti-American sentiment - a dispute over a flag that has led, indirectly, to the handover of a canal. In 1964, when Panamanian students tried to raise their country's flag next to the Stars and Stripes at a US-run high school in the canal zone, violence erupted. Clashes with US police and troops - the US then had jurisdiction over the zone

left 21 Panamanians dead and hundreds injured. In the wake of the confrontation diplomatic ties were briefly severed between the two countries. According to Guillermo Rolla Pimentel.

involved in the clashes, doz- include other, less dramatic work on scouring parts of their families, ending a way ens of groups in Panama - protests. While President the ranges for leftover of life in the neat little com-"everyone from nuns to communists" - met and formulated their demands of the US: a Panamanian canal, no US bases and a withdrawal within 15 years.

It has taken longer. But this year's 35th anniversary will be special: the last before the US hands over control of the canal and pulls out its troops, the result of the 1977 treaties between the two countries that had their roots in the confrontations of 1964.

"January 1964 was when the demands became formalrecalls Mr Rolla Pimentel, who subsequently became a health minister. "People went looking for petfor guns. Women rol, searched for mirrors to show up the US snipers in the street fighting."

Ernesto Pèrez Balladares yesterday decorated seven veterans of 1964, tensions between the US and Panama have diminished greatly with the approach of the transition. You cannot erase history, but relations now are excellent," says the US embassy. Polis of recent years have even shown majority support for retaining some kind of presence. given the economic boost the US spending provides. Estate

the dozens of homes soon to be vacated by service-Remaining friction is connected above all with the clean-up of unexploded weaponry from areas of the canal zone that the US used as firing ranges. With the onset of the dry season, US troops are soon to restart

agents fret about how to let

bombs and shells. But there is disagreement between the US and Panama about the possible extent of the search into many dense jungle The US has long since

given up jurisdiction over the canal zone itself, and its military presence has now dwindled to a rump of bases and a few thousand troops as the countdown continues to the scheduled total withdrawal by December 31. Panamanians continue to move into the canal areas, while other US installations have been razed to build the hotels and shopping centres that Panama hopes will assuage the loss of military

revenues. Closing, too, will be many of the clubs and institutions that have catered for soldiers and canal workers and

of life in the neat little communities built within the canal zone. In May the last class will graduate from Balboa High School, where the flag-raising protest started.

Ruth Russell, the superintendent of Balboa High and the other remaining US schools in Panama, says that in the shifting school population - where 30 per cent of students are now in any case Panamanian - the events of 1964 have not remained in the memory. Students are warned to keep away from any demonstrations today. But, says Mrs Russeli, tensions are nowhere near what they were. The dream of having the

canal has helped Panamanians to feel whatever they did was not in vain," she says. "They see the light at the end of the tunnel."

## Japanese public taken for a very expensive losses over the years, that third sectors projects

Attempts to stimulate the economy through so-called third sector projects - ventures such as theme parks funded by local government and private money - have been a disaster, writes Michiyo Nakamoto

Structural Adjustment Facil- remains unresolved.

caretakers at Kure backed businesses in Japan
Portpia in Hiroshima that have closed with liabilirun the empty ferris wheel, ties of more than Y153.6bn roller coaster and other rides (\$1.32bn). These so-called that were the pride of the third sector projects, funded city but now stand idle on by local governments and most days in the deserted the private sector, include

Kure Portpia has remained Kure, luxury hotels in the empty since it closed last middle of nowhere, indusyear with liabilities of trial parks developed at high Y11.4bn (\$98m), but the rides cost that have failed to are given an occasional run attract companies and countto keep them from rusting. less other businesses that borrow extensively from example, were either too The park is one of a record have steadily accumulated

from time to time the number of local governmentseveral theme parks like

The growing number of which had the backing of collapses of third sector pro- local governments would jects highlights the failure of public policy in Japan to Araya, deputy head of inforrevitalise the country's mation at Tokyo Shoko depressed regional econo-

Third sector businesses were set up in the 1980s and third sector projects extenearly 1990s as a way to spur economic activity, particularly in depressed, remote communities such as mining towns on the northern island of Hokkaido. There are 349 profit-seeking third sector corporations in Hokkaido. one of Japan's most inaccessible and underdeveloped

Spurred by legislation that offered tax breaks and subsidies, they were also able to sector theme parks, for hanks since "people believed remote to attract a large

never fail", notes Hirotake Research, a private research organisation. Mr Araya has researched the problems of

He maintains these public sector projects have falled in large part because they are run by people who have no real business experience. In many cases the projects have provided a second career for retired local government officials, or jobs for the friends of local politicians. Mr Araya charges. Many of the troubled third

Anne of Green Gables and 19th century Canadian architerture as well as the Sea Gaia in the southern city of Miyazaki, on the island of Kyushu, are far away and costly to visit. Many Japanese would prefer to go to Canada rather than Hokkaido to see a reproduction of old Canadian towns and

might even find it cheaper. What is more, the businesses which were ostensibly set up by the public sector to stimulate the local economy actually ended up competing with the private sector and putting pressure on their profits, he notes.

This year 24 third sector projects have been dissolved

obscure. The Canadian ures seen in the past seven cases the failures are forcing the local governments that backed them to shoulder the losses and repay the loans over decades. Owanimachi town, for example, is paying back the liabilities of a failed ski resort over a period of 60

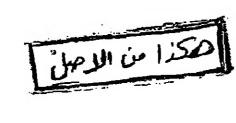
Furthermore, third sector corporations do not use regular accounting measures but are able to count the funds they receive from local governments as sales, Mr Araya points out. "If they rules, 70 to 80 per cent of third sector projects would be in the red."

Other problematic projects which have not yet closed or liquidated, or about the are also on the brink, he

notes. A project to develop the eastern region of Tomak-World in Hokkaido featuring years combined. In many omai in Hokkaido, for example, is already saddled with Y180bn in liabilities, while a similarly troubled project in the town of Mutsu in the northern prefecture of Aomori has liabilities of Y230bn. The total liabilities of

third sector projects facing near-term collapse comes to Y417.5bn, according to information obtained by Tokyo Shoko Research. But this is only the tip of the iceberg. Mr Araya believes.

A lack of disclosure by used normal accounting local governments has meant that nobody knows exactly how much public money is being pumped into loss-making third sector projects or how high their liabil- a spokesman for Senator





Petroleum A.

lears persist

. - 2000 C

Kazakh

leader.

certain

to win

A warning that modified government plans for UK financial regulation still breach the European Convention on Human Rights will be issued today by the former head of the UK's Serious Fraud Office.

George Staple, a partner at Clifford Chance, the London law firm, has identified proposed civil sanctions and the definition of market abuse as causing particular concern, and will express his views in a speech today.

Blair urges

S Africa

ministers

Editor, in Cape Town

to embrace

Third Way

The Third Way approach to

government provided the

only coherent response to

the two biggest challenges

facing South Africa and the

Uk, Tony Blair told a Cape

The UK prime minister

was addressing South Afri-

can ministers, MPs and busi-

ness people in the city's par-

liament building on the final

day of his three-day visit to

South Africa. The challenges

were "jobs and crime", he

The kernel of the speech

was one of his most detailed

expositions of the Third

Way. He believes the

attempt to create a new

political credo - with flexi-

ble labour markets, competi-

tive taxation rates and

investment in education and

skills - is attracting support

aged by the explicit endorse-

ment of the Third Way by

Thabo Mbeki, the South

African deputy president

who is expected to succeed

Nelson Mandela in the

"The Third Way seeks to

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combine economic dyna-

mism with social justice."

His officials are encour-

from other governments.

Town meeting yesterday.

POLITICS

fines for a range of new abuse" form a key part of

The SFO, under Mr Staple. was also criticised for its failure to win convictions in the courts.

so vague that they fell fool of the notion of a clearly

enforce because people will be able to say that the crime of which I am accused is not clearly defined and therefore criticism over the failure of I wasn't able to understand the nature of the offence,"

the existing system of regu-lation in his speech: "A bal-

The introduction of civil defined offence governed by so bedevilled the criminal would revise the draft bill and civil justice systems after extensive City of Lonpublished in July.

> on market abuse covers a range of offences from insider trading to giving the market the wrong impression of the supply and nature of some of these offences and severity of the

don criticism since it was

The Financial Services Authority, which is to oversee the bill, has also pub lished its own proposals on enforcement to meet other human rights concerns.

Mr Staple welcomed this "very considerable progress", but stressed that his two central concerns still

## Gas pipe operator faces \$6m penalties after probe

By Andrew Taylor, Utilities Correspondent

Transco, monopoly operator of the UK's gas pipeline network, was yesterday repri-manded by the industry regulator for overcharging rival companies to link with its

It faces financial penalties if in future it abuses its dominant position in the gas connections market. Transco is owned by BG, the gas exploration and distribution arm of the formerly state-owned British Gas.

Ofgas, the regulator, said Transco had been inconsistent in quoting prices. It had also significantly undercharged some of its own customers for connections. giving "the appearance of anti-competitive behaviour" Ofgas said Transco also delayed giving quotations, disrupting rivals' business.

The regulator is to make an enforcement order requiring Transco to "introduce a compensation scheme for persons given late or wrons quotations". The penalties, which are not retrospective, could cost Transco up to £4m (\$6.7m, €5.6m) annually, said the regulator. It added: "The present Gas Act does not allow us to impose fines for past activities. This will change next year when the new competition act comes into force."

Companies that had suffered would have to pursue their grievance with Transco individually, said the regula-

Ofgas launched a series of "dawn raids" on Transco offices last summer, taking 7.000 documents, after rivals complained it was acting uncompetitively in trying to he was prepared to spend win new contracts from housebuilders and commerleft wing of his governing

cial developers. Exoteric Gas Solutions, a gas connections company, said last night that it would be seeking damages. It was also suing the company for libel after it issued a memo. subsequently withdrawn, telling Transco staff not to deal with Exoteric.

Transco yesterday acknowledged that its "procedures have not been sufficlently rigorous". It said it was "establishing a separate

As well as potentially los-

ing customers who are not

prepared to wait any longer,

the delay and cuts will hit

## **NEWS DIGEST**

PUBLIC-PRIVATE FINANCE PROJECTS

## \$800m contract to maintain defence ministry building

The defence ministry yesterday announced the preferred bidder for a contract - thought to be worth up to £500m (\$840m, €700m) - to redevelop and maintain its headquar ters building in London. The winning consortium comprises Amey, the facilities management group; Hyder, the Welsh utility; and Kvaemer, the Anglo-Norwegian construction company. Innistree, which invests in public-private finance projects, is the equity provider. The losing shortlisted can-didate was the MoDeM consortium led by the Bucknall

The building, completed in the 1950s, "falls well short of normal office standards", said George Robertson, chief defence minister. Gloomy comidors are to be replaced by 2004 with an open-plan design that will increase the building's capacity from 2,800 to 3,300 people and will enable the ministry to vacate three nearby buildings. The redevelopment will have to leave intact King Henry VIII's 500vear-old wine cellar. Alexander Nicoll, London

**BCCI COLLAPSE** 

#### Probe into auditor to resume

The long delayed inquiry into the role of auditors Price Waterhouse in the 1991 collapse of Bank of Credit and Commerce International with debts of \$13bn is expected to restart this year. PW, now part of PwC, obtained an Injunction against the accounting profession's senior disci-plinary body, which stopped its proceedings while litigation went ahead on behalf of creditors. Those actions were settied last year. The Joint Disciplinary Scheme is now likely to apply to the court to lift the injunction. PW has bitterly rejected claims that it failed to alert regulators to irregularities at BCCI. Jim Kelly, London

NORTHERN IRELAND

#### Bids invited for gas pipeline

Northern Ireland's depressed north-west region was given a boost yesterday as ministers invited applications for licences to build a gas pipeline to the area. A pipeline to the city of Londonderry is seen as vital in securing invest-ment. John Murray Brown, Dublin

**EDUCATION** 

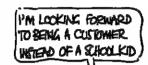
THREATTO

PRIVATE

EDUCATION .

MITHORITES

#### Door opens to private sector



a pool of contractors ready to take control of services run by local education authorities, David Blunkett, the chief education minister said yesterday. It was the clearest sign that the govemment is preparing to transfer powers held by panies, sought through a

The government is to create

local government officials to business chiefs. The comnationwide advertising cam-paign launched today, will be vetted by ministers so that they can be drafted in to take command of key functions of "failing" authorities. The contracts, which could leave profit-making

government's flagship literacy and numeracy policies, could be "worth millions of pounds". But the move, which opens the door to an army of consultants and business executives to make "very substantial" sums of money from running state schools, was attacked by teachers' trade unions and municipal leaders. Simon Targett, London

SOCIAL TRENDS

#### Decline in marriage forecast There will be more unmarried than married adults in much

of the UK within a decade, for the first time in recorded . history, according to government forecasts released yes-terday. They predict the proportion of adults in England and Wales who are married will fall from the current 55 per cent to 48 per cent by 2011 and still further to 45 per cent by 2021. England and Wales account for more than 80 per cent of the UK population. The number of people cohabiting is expected to double to 3m by 2021 but that will not offset the decline in marriage, with the result that fewer people will live as couples in the first quarter of the next century. Simon Buckby, London

#### "The 400 and 200 cars are not selling well, without the 75 these guys are going to be The Rover 75 - the hurting just as much," it

#### NEW GOVERNMENT POWERS TO INTERVENE IN LOCAL EDUCATION SERVICES

**CONTRACTS & TENDERS** 

The Government has taken new powers in the School Standards and Framework Act to intervene in cases where a local education authority fails to adequately carry out its duties in relation to school education.

going to have yet another problems with the bodywork

In the event of such intervention the Department for Education and Employment may wish to deploy private sector contractors. Contracts may be let both for consultancy services preparatory to further intervention and for the subsequent provision of the education services themselves.

The Government will act where it is clear that a particular LEA cannot or will not perform adequately. It then needs to be in a position to act swiftly and effectively.

This advertisement invites contractors to express an interest in playing their part, as and when necessary, in improving local education services.

The Government will draw up a list of selected contractors The Government will draw up a list of selected contractors who can perform in a cost-effective way the council's role in supporting schools and providing services to pupils and parents. This might include for example, preparing and implementing statutory plans such as the Education Development Plan, providing pupil welfare services, administering school admissions, and financial monitoring. The Department for Education and Employment wants to develop a close relationship with those on the list. It is the intention that the majority of education services provided by external contractors as a result of Government intervention will be carried out by those on that list.

Management Consultancy and Advice The Government also proposes to establish framework

contracts with a number of organisations for the provision of management consultancy and advice related to the administration and support of maintained school education and services to pupils and parents. The required services may relate to any of the current LEA functions and will typically build on Ofsted LEA inspection reports. There will be a range of activity which could include: advising the LEA on how to address concerns highlighted by Ofsted; drawing up a specification on the basis of which the contract for the provision of education services would be drawn up; and managing contracts for service delivery.

Next Steps

The Department is keen to hear from those interested in carrying out either or both of these types of work, including those interested in doing so for particular areas of the country or for certain functions.

For information packs containing further details of the two aspects of work involved, the contracting processes and timerables, please fax a request to 01325 392488. In accordance with EU Procurement Regulations, an advertisement for the consultancy work will also appear in the Official Journal of the European Communities and Government Opportunities.

The deadline for receipt of expressions of interest is 15 February 1999.





Investment Correspondent

offences defined as "market the government's proposals to overhaul regulation. They were designed to answer the existing system to catch perceived offenders.

Mr Staple defended the SFO's record yesterday, but said the new proposals were

the convention.

he said yesterday. He recognises the traps of

ance must be struck whereby effective and efficient regulation is established... while avoiding the delay, complexity and

"It will be difficult to when dealing with financial matters." The draft code of conduct

> demand for an 'investment. Mr Staple believes that the

fines could lead to problems needed to be met. Changes over whether they really do constitute "civil" matters. The government has could be made to the draft hill after its scrutiny by a and parliamentary committee increased costs which have already indicated that it due to report by Easter.



tes a British army training team at a medals caremony in Cape Town. Outside, however, demonstrators from lem groups – carrying banners urging 'death to Tony' – were dispersed by police firing shotguns loaded with birdshot and tear gas Mr Bish was demonised for the UK's recent involvement in air strikes on Iraq and the protesters burned US, British and largell flegs AP

#### German talks mark comeback for 'Prince of Darkness'

holding talks in London

yesterday as Mr Blair's

personal envoy with Bobo

fashionable part of London. Mr Mandelson amazed political observers by

Peter Mandelson, the powerful ally of Tony Blair who resigned from the government last month. yesterday embarked on what could turn out to be the fastest comeback of all time. Mr Mandelson, dubbed

the "Prince of Darkness" for his years of behindthe-scenes work for the Labour party, resigned as chief industry minister after was disclosed that another minister had lent him more than \$500,000 towards buying his home in a

unusual move. Mr Mbeki ing Mr Mbeki and the Afriwas a "man of acute intelligence and political insight",

Mr Blair said. Mr Blair the prime minister said.

Hombach, a German chancery minister whose reputation as a fixer in German politics mirrors Mr Mandelson's in the UK. The meeting came only hours after Britannia building society, a savings and loans institution, decided not to

press for a fraud inquiry into Mr Mandelson's application can National Congress. The prime minister said the hopes "of the world rest on

aspects as the prime minister's personal envoy. the UK to be "South Africa's

advocate and friend in the European Union". His Third Way mantra,

for a £150,000 loan on his

proclaimed that he was now

"I am puzzied by this, as I

home. Mr Mandelson

had been given to

of the opposition

understand that Peter

Mandelson had resigned

from the government," said

Michael Ancrem, chairman

Conservative perty. But a Blair aide said: "Mr

Mandeison was there to

handle the party political

"in the clear".

policies on education, welfare reform and crime. The prime minister said the left would attack him for

"not applying traditional solutions" but he was ready to create a new "constituency among the people".

had a right to expect assis-

tance from the developed world, he said, but also a

responsibility to ensure

resources are used produc-

tively" and not on "white

elephant projects or the can-

Mr Blair also made clear

the coming year fighting the

Labour party in order to

push through controversial

cer of corruption".

Mr Blair believes that John Major, his Conserva-

ity problems delaying the market share. Rover are to have suffered quality

automotive analysis at Price-

## tive predecessor, failed because of weak leadership.

# Mbeki's candidature in the forthcoming presidential would not be accused of election, a diplomatically breaching etiquette by back. The defacto leader of a troumatched by responsibilities, be easy to rebuild Britain, operate independently of the extended to international he said. "It takes resolve; (gas) transportation business". BMW offshoot cuts production

### By Juliette Jowit in Birmingham to a general downturn in that has suffered massive ny's 600 and 800 Honda demand, coupled with qual-financial losses and falling based saloons – is believed

The Rover offshoot of BMW has cut production volumes for this year by 10 per cent, halving output of its new

The company told suppli-

put for the new Rover 75, to to be slashed from 80,000 to just over 40,000.

Rover yesterday sought to credibility issue," said Ash- and engine parts. play down the impact of the ley Fernihough, head of UK cut. "We give our suppliers a bracket in between which waterhouseCoopers. "The ers that total output for the we will be requiring parts; it model will be late, which

year has been reduced from might be down towards the will hold up your marketing suppliers and dealers, said 500,000 to 450,000 cars. Outbottom end, but it's still and sales, all your dealers Mr Fernihough. within the parameters we be launched this summer, is gave them," it said.

launch of the 75.

will be prepared ... It's damaging for the whole image of Industry watchers said the the company." announcement meant fur-

The moves were attributed ther trouble for a company replacement for the compa- added.

UK new car registrations: December 1998 Dec 1998 Dec 97 Jan-Dec 1998 Jan-Dec 97 % State Share Volume % Share Share Chg % % Chg % %

1	Total Market	96346	13.8	100	100	2247402	3.5	100	100	Ī
H	UK Produced	27780	-6.1	28.8	35.0	718903	-1.9	32.0	33.8	
ч	Imports	<b>68566</b>	24.5	71.2	65.0	1528499	6.3	68.0	66.2	
ı	Jepanese makes	7121	23.2	7.4	6.8	174392	10.4	7.8	7.3	
ı	Ford group	14547	-42	15.1	17,9	415375	23	18.5	18.7	
ı	Ford	14040	-5.3	14.6	17.5	403717	1.9	18.0	18.3	
_	Jaguar	507	42.8	0.5	0.4	11658	22.6	0.5	0.4	
1	General Motors	13441	20.2	14.0	13.2	301780	-3.0	13.4	14.3	
Ш	Vacochali	12952	22.8	13.4	12.5	282560	-4.1	12.5	13.6	
11	Saab	489	-23.0	0.5	0.8	19220	15.2	0.9	0.8	
"	BMW grp	8205	-37.6	8.5	15.5	258079	-82	11.5	12,9	
П	BMW	1843	19.8	1.9	1.8	64160	0.7	2.9	2.9	
П	Rover	6362	-45.2	6.6	13.7	193919	-10.7	8.6	10.0	
IJ	Peogeot grp	11685	32.7	12,1	104	258216	4.5	11.5	11.4	
1	Pezgeot	9276	53.2	9.6	7.2	181564	8.4	8.1	7.7	
•1	Citroen	2409	-12.3	25	3.2	76652	-3.5	3.4	3.7	
ı	Volkswagen grp	11343	89.7	11.8	7.9	206538	11.0	9.3	8.7	
ŀ	Volcsnagen	8148	80.2	8.5	5.3	128421	72		5.5	
1	Audi	1148	8.7	1.2	1.2	40906	15.2	1.8	1.6	
Į	Skoda.	1109	84.8	12	0.8	20564	30.6	0.9	0.7	
j	SEAT	938	116.6	1,8	0.5	18647	11.3	8.0	0.8	
ı	Remault	7539	81,6	7.8	4.9	180319	132	8.0	7.3	
ı	Flat group	4154	-9,2	43	5.4	101164	7.4	4.5	4.3	
_ł	Flast	3581	-17.8	3.7	5.1	92256	44	4.1	4.1	
٦	Alfa Romeo	573	161,6	0.6-	0.3	8908	51.3	0.4	0.3	
ł	Hisson	6714	63.7	7.0	4.8	101438	5.5	4.5	44	
1	Toyotz	3137	20.0	3.3	3.1	79296	125	3.5	3.2	
į	Honda	531	-20	0.5	11.6	61048	9.8	2.7	2.6	
ı	Mercedes Benz	2592	79.9	27	1.7	51973	22.2	23	. 20	
١	Volvo	1842	-7.2	1.9	23	37585	-7.2	1.7	1.9	
1	Mazzia	612	-33.8	0.6	1,1	29962	43	1.3	1,4	
- 1		-								-

Korean makes 5917 38.4 6.1 5.2 63202 17.2 2.8 2.5

GN brids 50% of State Automobile and has management control 2, includes Range Rover/ Discovery 3. Wil holds 70% of Stade-and has management control Source: Society of Motor Manufacturers and Trades

The share of the UK car market taken by imports increased again in 1998 to 68.1 per cent compared with 66.2 per cent in 1997, figures from the Society of Motor Manufacturers and Traders said yesterday. But this was offset by UK-built

exports. The Ford Fiesta, Escort and Mondeo were the top-selling cars in the UK followed by the Vauxhail (General Motors) Vectra. The 200 and 400 were the only Rovers to make the list of 10 best sellers in the ninth and 10th positions.

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Argus Global Markets

Saturday January 9 1999

## Week one of new life for the euro

much. The 11 euro-zone currencies were, after all, closely synchronised slready, and short-term interest rates in most of the countries had been con-

verging for more than two years. Wim Duisenberg, president of the European Central Bank. sents 16 per cent of GDP. On emphasised the continuity on present trends it would double by Thursday when he announced that euro interest rates would stay at 3 per cent - the level fixed before the launch - for "the foresceable future".

As if to confirm the impression that the launch of the euro was no big deal, foreign exchange markets switched their attention after its first day of trading to the yen, driving it up to almost 110 to the dollar at one point. This was some 32 per cent above its low point last August, and high enough to revive anxieties about

The rising yen also focuses attention on the sources of potential weakness for the dollar and the dangers that they pose for

Yet the euro is far from being a ringside spectator in a tussle between the US and the Japanese currencies. Its emergence has changed the global financial landscape profoundly, even if this week's performance did not give much indication of its future role as a heavyweight alternative to the dollar.

There are several ressons why the euro could strengthen. In trade weighted terms the "synthetic" euro, calculated from the 11 member currencies, has gained 19 per cent from the beginning of last year. In comparison with the other two main currencies, a continuation of this strength looks rational.

The dollar is increasingly vulnerable to a ballooning trade deficit, or a sudden change from exuberance to pessimism in Wall Street - perhaps both.

#### Worrying aspects

The US current account deficit, expected to be about \$230bn (£137bn) for 1998, is now heading back to the unsustainable levels the euro, if it materialises, would i trial now under way is like many that caused such alarm in the add to the deflationary forces in late 1980s. This year it will be Europe, and might bring it close unstoppable train. The "due profor the defence to undermine the about 3 per cent of gross domes- to the dangerous spiral of falling tic product, compared with 3.6 prices that afflicts Japan. The per cent at its previous record in

There are two worrying aspects to this trend. First, the external ties that beset the dollar and the deficit is clearly linked to a soar-ing US stock market that reached enough. The ECB should do all it new highs this week. These gains can to stimulate growth before it have persuaded Americans to

Everything is the same but run down their savings while different. In one sense, the continuing to spend at a high launch of the euro on to the level. But this will not go on world's foreign exchange markets indefinitely: asset prices cannot this week did not change very be expected to rise at recent very rapid rates for much longer, and there is increasing unease that the market is overvalued.

Second, the trade deficit, exacerbated by the consumer boom, is now matched by a rising net debt to foreigners. This already repre-

External deficit

Just to complete the inventory of danger signals; US oil imports, now running at 10m barrels per day, make the country much more vulnerable than a decade ago to any world price increase. A return to \$20 per barrel oil, for example, would add \$30bn to the US's already over-stretched exter-

It may be that the rest of the world (including the Japanese, who hold a fifth of US Treasury securities) will continue to finance this deficit. But a change of sentiment by lenders or equity holders or both could put strong pressure on the dollar.

Meanwhile any further appreciation of the yen would douse the already faint embers of Japanese economic recovery. The authorities must now pump large quantities of liquidity into the economy. A weakening dollar might allow them to do this without a collapse of the yen, but in any case, they have it in their power to

A combination of dollar weakness and official action to cap the yen could give a strong boost to the euro, especially if the ECB were to continue to show itself reluctant to cut interest rates. Would this be a desirable out-

come? Exports from the zone would come under pressure. But with weak demand in Asia and the US running a large deficit. there is little chance that Europe can export its way out of its unemployment problems. The health of its own economy, and to some extent that of the rest of the world, must depend on ling them towards extending the domestic growth.

However, upward pressure on Procedure. To some extent, the euro-zone is not as vulnerable to such deflation as Japan. But in conjunction with the uncertain-

An unstoppable train Gerard Baker explains what is driving an impeachment process that is unlikely to result in the conviction of William Jefferson Clinton

The Senate has only two means by which it reaches

agreement on anything," a cynical historian once "unanimity or exhaus-As the impeachment trial of William Jefferson Clinton began

this week, amid all the souorous symbolism the 223-year-old republic can muster, the upper chamber of congress was busy trying to prove it could act unanimously, even though it looked as if some disagreements would be debated until exhaustion. On Thursday, senators were

sworn in as jurors and heard the charges of perjury and obstruction of justice by Mr Clinton in the Monica Lewinsky case. Yesterday they reached a tentative agreement on how to conduct the

The senators decided to proceed cautiously, hearing the arguments of the prosecution and defence over the next two weeks. Only then will they decide whether or not to take direct evidence.

Democrats had been trying to short-circuit a full trial. Call no witnesses, expedite arguments, and have the whole business wrapped up in a week or so.

Senate is somewhat divided on the subject. The likelihood is that it will agree to hear some wit pesses, opening the way for a potentially lengthy process. Few senators were willing to bet yesterday that they would conclude in less than a month. Some thought it could take much

Why, when barely a single senator can be found who seriously believes the trial will result in the president's conviction and removal from office, is the country and the world to be subjected to a protracted process that risks distracting attention from pressing policy matters?

Why, when opinion polls suggest support for the Republican party is in freefall, is the Republican majority in the Senate allowing the process to roll on, out of control, for the foreseeable

The answers lie in a complex interplay of constitutional and political forces. While Republicans do not have the votes - 67 members of the Senate - to convict Mr Clinton, they do have enough votes - a simple majority - to control the trial proceedings. And a variety of factors is propel-

in the American legal process: an cess" of law, as sacred to pro Americans as the national flag, does not permit "quickie" justice. ball," one White House adviser Oddly enough, this argument is said this week, "they'd better be used by all sides, even by those ready. They'd better understand who have been pressing for a what they're letting themselves speedy resolution.

The 13 angry men charged with presenting the case, Republican arguments. Senate Republicans of the House of are divided. A handful are not

eager to have witnesses. But with Representatives judiciary com-55 seats in the Senate, Republimittee, say they must be permitcans would need to lose at least ted to make their full legal case. That means, as it would in any five defectors to stop witnesses and that may prove difficult. trial, hearing evidence form witnesses. Up to 15 witnesses could • The surprise factor. A number

be called, including Ms Lewinof Senate Republicans believe sky, Vernon Jordan, the presithat whatever opinion polls say, dent's friend and adviser, Betty they should proceed with a trial because it might produce an explosive surprise that would Currie, the president's personal secretary, and others. convict the president. However The White House, backed by Democrats in the Senate, wants remote that possibility may seem, rumours continue to swirl to block the calling of any witnesses to expedite the trial. But around Capitol Hill about what they have repeatedly warned exactly might be presented as that, if a single witness is called, evidence in the trial. There have been repeated tales of anonythey too will invoke due process mous women ("Jane Doe Number and assert their right to a full-dress legal procedure. That 5", for example) who were prewould mean conducting deposipared to testify to a pattern of tions of potential witnesses to sexual misconduct by the president in the Paula Jones sexual ascertain the content of their eviharassment suit that gave rise to dence, and calling on witnesses

> claims The House managers believe that, exposed in the Senate chamber, these and other witnesses could provide powerful evidence of a pattern of wrong-doing by

> the Lewinsky cover-up, but who

then mysteriously

the president. Though the White House dis-

even discuss them, there is nervousness among Mr Clinton's supporters about what exactly a protracted parade of witnesses

might produc • Crime and Punishment. Many Republican senators (and even some Democrats) are concerned about how President Clinton might react to an expedited trial and an early vote to acquit him of the impeachment charges. Such speedy justice would almost certainly be interpreted as a vindication of the president. The near-summary dismissal of the charges brought by the House might confirm, in the public mind, the White House claim that the "historic" decision to impeach was in fact a partisan attempt to lynch the president on trumped up charges. Mr Clinton's immediate reac-

tion to the impeachment vote last month - a ceremony in the Rose Garden at the White House. where his admirers condemned the House vote and called him ate trial unfolds slowly over the "one of our great presidents" - is a spectacle senators do not wish to see repeated.

consideration of the charges ocrats who find themselves mut-

even if he is eventually acquitted Mr Clinton did something seiously wrong and was not the helpless victim of a political witch-hunt. Political calculations. Even to

they consider these factors Republicans privately worry about the damage a protracted trial could do to their party; political fortunes. Next year, 19 Republican senators face reelection, and a large number of them will be defending relatively small majorities. Unlike their House counterparts, senators are increasingly vulnerable to shifts in the public mood. House members sit for relatively small die tricts, often gerrymandered to ensure their continuous reelection, which enables them to bers of the House.

Texas, may see their hopes evap

These political calculations have been evident all this week in the actions of Trent Lott, the Senate Majority leader. A flerce partisan critic of Mr Clinton, Mr Lott has been treading with rare statesmanlike caution as he tries

hopes they have of making solid. legislative achievements during Mr Clinton's second term.

But Democrats in Congress have different priorities. While publicly they call for a quick trial and a return to the "nation's business", privately, more than a few are beginning to wonder what benefits might await them at the end of a prolonged

has been shifted forward, meaning that campaigning will probaoly begin

If, as seems possible, the Sennext few weeks, perhaps dragging on into months, it may well be the Republicans pleading for a Instead, they believe, weighty halt to the process, and the Dem-

#### dispense largesse to their constituents. Senators, by contrast, at for whole states, and are thrown out more frequently than mem-In addition, the party has to consider the presidential contest next year. If Mr Clinton contin-Land and ues to enjoy the public's sympathy over impeachment - and polls suggest his approval ratings are as high as ever - the principal beneficiary may well be Al Gore, the vice-president and freedom likely Democrat candidate in 2000. And if Republican poll ratings, now at their lowest level since Watergate, continue to slide, even potentially popular Republican candidates like George W. Bush, governor of

to build support among his colleagues for agreement on a quick Democrats are all too aware of the power that drives this dynamic. The White House clearly wants to curtail the process. Not only are Mr Clinton's aides concerned about what a trial may bring, they also fear that a delay could squash any

The timetable for next year's presidential primary elections

misses the claims and will not would convey the message that, tering sagely about due process.

### LETTERS TO THE EDITOR

### Know your enemy in the debate over building society demutualisation

From Mr J. Killick. Sir, I was surprised to see the headline and tone in your article regarding building societies converting to banks ("Building societies prepare to do battle with mutual enomy". January

4).
The "enemies" are not the societies and demutualisation tion. proponents but the boards of directors of the societies and The directors do not want their

societies to convert to banks. Having natled their colours to could they, in all conscience, con-societies? tinue as directors of (the new) have consistently derided? For the directors, demutualisation means redundancy.

How can institutions which were ing and not their own funding formed to meet the economic con-requirements.

your newspaper on January 2 this.

8 pence which I pay into dismay.

your article about war loans

I inherited a bond for £5 which

my bank account. I also make

It really does seem time that

From Mr Roy Setter.

fortune"),

return.

my

ditions of mid-Victorian times be equally appropriate for the third

If the owners of the societies were given full and unbiased Information on the benefits of conversion to banks, they would vote overwhelmingly for it. Instead they receive disinforma-

For example, the boards allow the members/owners to believe mutual rates will always be more favourable than bank rates. If this is true, why do customers of the Halifax, to name but one, not the mast of mutualisation, how move en masse to the building

For the societies to offer consistently better rates than their J. Killick, competitors, it would mean that the societies' rates would be determined after they knew the Demutualisation is inevitable. rates the competition were offer-

Taking an indefensible position on war loans

To read in your article, how-

government's interest to redeem

it at par unless it could

You rightly point out that the

1932. Since then, of course, infla-

tion has eaten away most of the

Sir. I was interested to read in small amounts such as

("Descendants of patriotic war ever, that the Debt Management

loan investors soldier on to a Office says "it wouldn't be in the

my father bought in 1915. Twice get funding at 3.5 per cent for a

each year I receive a cheque for very long time" fills me with

sure that I declare this amount government reduced the interest

income tax from 5 per cent to 3.5 per cent in

And, of course, the information the directors carefully avoid giving is - even if one accepts the favourable interest rate fiction the comparative net present value of rates against the value of the windfall.

What appears to be simply forgotten is that, by definition, the mutual societies are owned by their members, not the board of

If the members voted for conversion to banks, they would hardly be giving in to the "enemy". The enemy would be themselves, going by your

managing director. Cyclop International, Croydon,

### Opera not a 'rich man's playground'

ecution's case

in for."

"If they want to play hard

Caught between these two

Sir, It is sad that Andrew Clark ("Politics, passion, backstabbing and despair", December 30), who appears to write with such authority about the Royal Opera House and fairly describes the government and Arts Council emphasis on access rather than quality, clearly has read only part of the Eyre Report or has forgotten what he read.

When the tax incentives for donors to the Metropolitan Opera House are added back, the sub-sidy is greater than that for the ROH, or was prior to the recent increase. Furthermore, those who say the size of the Met makes it more viable ignore the fact that receive far from perfect sound. At least at Covent Garden there is little or no sound distortion.

One must note that the Met is also supported by many rich and prominent donors without whom it would not survive. As one of those supporting Vivien Duffield because we enjoy the opera and ballet and can afford to help, I object strongly to the stateme that we cause "its ethos (to) be that of a rich man's playground".

Presumably if he studied the facts Andrew Clark would feel obliged to describe the Met in the same way. He should not so criticise those who have worked hardest to make this magnificent venture possible.

Michael Rouse, Baker Street, London WIA 1DN

the Debt Management Office value of the loan I estimate my SNS 2BZ Number One Southwark Bridge, London SE1 9HL

In effect, governments over the

years have been able to write off

a major part of their 1914-18 war

Patriotic lenders to the govern-

ment - in the form of Defence

Bonds, which also do not have a

redemption date - must be feel-

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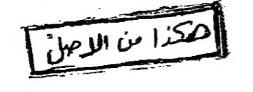
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the capacity of Japanese policymakers to foul up is nonpareil.

Even the more optimistic pundits concede that the list of threats to the global economy is unusually long and impressive. Japan, the world's second-largest economy, is in such dire straits that it will subtract from global growth this year, while sending financial shock waves across the exchanges. Brazil, the last line of defence in the emerging market

Continental Europe, where the euro-zone countries are running a \$100bn (£59.5bn) current account surplus, cuts interest rates at a snail's pace and shares too little of the burden of the Asian crisis relative to the US. The risk of currency turmoil and trade friction looms large.

As for the US, which holds the key to global growth, the fortunes of the real economy are unhealthily dependent on the markets. The further equities rise, the more readily consumers borrow and spend, which boosts the economy. But as they run the economy. But as they run a response to deflationary pres-down their savings, the deficit on sure, they may do little to help

# Bubbles will burst

Even optimists say the threats to the global economy are many, writes John Plender

the external account widens, rais- the real economy. It is the level

if the market falls sharply. Americans might lose confidence and rebuild their savings. This would knock the stuffing out of shock on the global economy. If, by contrast, the market goes on rising and people continue to spend beyond their incomes, household and external indebtedness will become more obviously unsustainable. The market collapse would simply come a bit

Why then, with US equities already at peak levels, are investors in such sanguine mood?

The worst and most frequently articulated argument for equities is that monetary policy is benign. How can policy be benign when it helps expand a US bubble that could destabilise the world economy when it bursts? This is manic short-termism.

Moreover, to the extent that cuts in nominal interest rates are

ing questions about the willing- of real rates, after allowing for ness of the rest of the world to the change in price level, that finance the resulting payments matters. Note, too, that falling nominal rates did little for the Japanese market in the 1990s.

The much better argument, advanced by Gavyn Davies of Goldman Sachs, is that policy-US demand and visit a huge makers will respond sensibly to threats and that the world economy will muddle through. But this raises the question of what constitutes sound policy when US equities continue to bubble. Alan Greenspan, chairman of

the US Federal Reserve, does not believe in making asset prices an explicit target of monetary pol-icy, nor in pricking bubbles. In effect, his policy is to hope for a gentle market correction in sponse to weakening earnings. Yet he does believe in preventing market collapses - witness

his cuts in interest rates since September. The snag is that by decreesing the return on cash relative to equities and persuading investors that the Fed has put a safety net under the market, he has ensured an even bigger bub-ble. This, inevitably, is less susceptible to gentle deflation.

The US may thus be in the early stages of replicating the deflationary disaster in Asia, which is essentially a crisis of

over-investment. For it is not just the US consumer who borrows and spends. Business investment in the US is growing at its fastest for 15 years, partly because of a Meantime the authorities decline in the cost of capital brought about by the stock mar-

As with Japan in the 1980s, this will distort investment in favour of inefficient projects. But portfolio investors have failed to observe that the low cost of capital means a low return on capital These changes in the relation-ship between the yen and the dolbecause the two numbers must equate. After the Asian miracle. it seems, we have a US miracle that will in due course leave an

unholy hangover. Could there be a miraculous escape? Possibly, if recent inter-est rate cuts in the west give Asia the leeway to trade its way back to health. But events in the two largest Asian economies tion for the dollar. hardly point in that direction. The growth prospect in China appears to be deteriorating. And

the euro to provide new competi-In sum. US policy relies on

packages are being offset not only by collapsing consumer spending but by a reduction in business investment from its earlier abourd levels. The only question in 1999 is how far economic

appear hell-bent on catastrophe. Their bizarre wish for a strong yen means that Japan is fighting a slump by tightening monetary policy. This also inflicts losses on Japanese overseas investors and curbs the yen carry trade, whereby people borrow in yen to

lar mean that the driving force behind the US currency has shifted from the capital account to the current account. Nothing could be better designed to make the US payments deficit harder to finance. At which point, enter

luck; Japanese policy is a disaster; European policy combines the sluggish with the experimental. And the trouble with



deflation is that it responds less predictably to policy than inflation. Incremental change is rarely enough to restore business and consumer confidence against

a background of falling prices. Note, too, that great market collapses often accompany changes in global currency rela-tionships. The crash of 1929 and

sterling to dollar hegemony. Roger Bootle, the economist who warned of deflation earlier than most, is urging clients to read J. K. Galbraith's The Great Crash. Improving literature for the times - though the precise timing of any crash is inherently unpredictable. The point is that bubbles, like negative savings subsequent slump coincided with ratios or disintegrating current the difficult transition from accounts, cannot go on for ever.

# Land and freedom

James Buxton looks at the emotive issue of land ownership in Scotland and proposals to reform feudal estates

a bleak, windswept corner of north-west Scotland, a group of crofters began a silent revolution. When the Danish owner of part of Assynt in Sutherland went bankrupt, the crofters funds and, casting off their feudal yoke, acquired the 21.000-acre estate.

Then, in 1997, the people of the Hebridean island of Eigg announced their emancipation by buying out their German landlord, a mysterious artist who had promised many improvements but delivered nothing.

Now the inhabitants of the 17,000-acre Knoydart estate in the western Highlands are negotiating to buy it with the belp of Sir Cameron Mackintosh, the impresario who owns a neighbouring property. The new owners believe community ownership will help them develop new sources of income and revive the local economy.

For a first world country, the concentration of land ownership in Scotland is shocking. About 600 individuals - usually aristocrats or reclusive foreigners, or fat cats from the City - own 50 per cent of the land. But if the Labour govern-

parliament, which will be elected in May. Donald Dewar, the Scottish secretary, this week proposed that local communities should have the first right to buy big estates when they come up for sale. The price would be set by a government-appointed

In extreme cases, the gov-

t reads like a scene

from a Hollywood "B'

movie. The genial but ambitious computer

company boss leans back

from the lunch table, turns

to his colleague and con-

fides: "I will tell you the

few years ago, in expropriate properties that were badly managed or neglected.

Mr Dewar was broaching a highly emotional issue for many Scots. The Highland clearances

of the 19th century, during which hundreds of thouissued a public appeal for, sands of crofters were evicted from large estates, are engraved on popular memory. The resulting disintegration of Highland communities is blamed on landlords who abandoned farming in favour of deerstalking, sheep farming or grouse shooting. Scots also dislike the fact that many owners are foreigners, or worse, Sassenachs (English) and spend only a few weeks

a year on their properties. The fact that estates change hands privately at high prices, and that the people who live on them are hardly ever consulted, only adds to the unpopularity of the system.

Mr Dewar's proposals are clearly aimed at boosting an estate will yield rather Labour's chances in the run-up to May's elections in Scotland, where the proindependence Scottish National party enjoys strong support. Landowners, meanwhile, are not unduly alarmed. Few of them believe residents and tenants ment has its way, land will really want to take on reform will be one of the the burden of owning and running Highland estates, first acts of the new Scottish most of which lose large

sums of money. But Michael Foxley, a Highland councillor involved with both Eigg and Knoydart, believes Mr Dewar's proposals will gradually change the face of landowning in the Highlands. "Rich individuals will

think twice about buying valuer rather than by the large properties," he says. market. Money from the "At the moment the sole cri-National Lottery would be terion for being able to buy available to help community an estate is having money. Now owners will have to live ernment would purchase or with the local community



and manage the estates

cheaply."

that."

This estate couldn't survive

without the tourists who

government do? It hasn't got landowners.

He thinks community purchase will become easier. partly because the government-appointed valuer will than its speculative or

This estate couldn't survive without tourists . . . but

most estates

don't have that' "bauble" value. In the case of Eigg, two independent assessors put its economic value at £750,000, but rival bidders pushed the price up

to £1.5m, which the islanders

estate agents Strutt & Par-

met thanks to a big donation from a well-wisher in Mr Foxley rejects the argument, put forward this week by Andrew Rettie of the Highlands, what will the

ker, that estates require the skills or resources to injections of cash from rich replace him." Perhaps surprisingly, John owners just to keep going. "A lot of what landowners MacKenzie, the marine engi-

this estate totals £860 a year, conscience about what hap-

neer who is a leader of the describe as losses are simply what they are prepared to Assynt crofters, questions a on their boddies. like deerstalking. Communities nity ownership as a can run things more long-term policy. While he says Labour's proposals will But this is vigorously remove many of the obstarejected by John Lambert, cles his group faced in their the factor (agent) of the Dun- acquisition, he warns that vegan estate on the isle of even if estate prices are Skye. He says the govern- brought down, it will still be ment is wrong to encourage difficult to finance land purpeople who have little chases. "Communities canmoney to embark on owning not appeal ad infinition to unprofitable estates. "The sympathy for the underdog rent from the 145 crofters on and a sense of national

Mr MacKenzie says it visit Dunvegan castle [the seat of the Macleod clan]. would be more helpful if the But most estates don't have government introduced a code of behaviour for landowners that would oblige He believes the government will be sucked into them to take into account subsidising the running of the interests of local communities. If that were to loss-making properties at the expense of more useful happen, the relationship objectives. "If the private between lairds and crofters would be less feudal, and owner becomes disillusioned with investing money in the local people would not feel Highlands, what will the need to buy out their

pened 200 years ago," he

# Genetic pirates walk the plank

As the hunt for natural remedies intensifies, Thailand is battling to protect its treasures, write David Pilling and Ted Bardacke

Thailand hurks a plant root that has a miraculous effect on

women's breasts. Pueraria, used by Thais for decades, is a natural oestrogen booster that can enlarge breasts by up to "one inch in five days", according to Wichai Cherdshewasert, a plant biotechnology expert at Bangkok's

Chulalongkorn University.
The trouble, bemoans Mr Wichai, is that at least two Japanese pharmaceutical companies have discovered the root's properties and are seeking to patent the active ingredient. According to the Thai government, foreigners are already plundering supplies and threatening the root's survival.

Thailand is so upset by what it sees as "biopiracy that it is tabling legislation to protect its biodiversity and traditional knowledge of herbal remedies from foreign exploitation. After violating rights for years, Thailand is discovering how it feels to be

robbed. "When drug companies come here and collect samples, they say it is the collective heritage of mankind," says Dr Pennapa Subcharoen, director of the National Institute for Thai Traditional Medicine at the Ministry of Public Health. "Then they study it, develop it, claim intellectual property rights on it and come back to Thaiand and make us pay for it."

There is nothing new in such behaviour. For decades international drug companies have scoured the earth for organisms whose active form of bio-colonialism". ingredients might prove beneficial.

The female contraceptive pill originates from a natural hormone found in wild Mexican yams. Cyclosporin, the immunosuppressant used in transplant operations, is derived from bacteria found

eep in the jun- in Scandinavian soil, Metro- pharmaceutical industry has gles of northern din HP, a hormone used in set compensation for genetic fertility treatment, was originally extracted from the urine of European nuns.

> the issue of payment has per cent royalty on sales. cropped up. Drug companies argue that the greatest amount of intellectual property is created in the lab. Of the hundreds of thousands of samples they collect, only a few will have pharmaceutical use. Even then it takes years of painstaking trials and about \$500m (\$298m) to

produce a marketable drug. But the search for biological information, from which active ingredients can be synthesised or valuable information extracted, has intensified. The hunt for rare genes has become frantic as understanding of the genetic basis of disease improves. Typical is a Californian company that discovered two genes implicated in asthma by taking blood samples from nearly every inhabitant on the tiny

drugs company, paid Costa Rica \$1m for access to potenand micro-organisms. Xenova, a UK hiotechnology company, is negotiating terms with Mexico to gain access to the Chiapas region, where Mayan inhabitants have a rich knowledge of herbal remedies.

Bronwyn Parry, a Cambridge University research fellow specialising in genetic resources, wonders whether "the flow of material from the gene-rich developing world to the gene-poor industrialised world is a She says the Biodiversity

Convention, signed by 158 countries since 1992, helps address the issue by making genetic resources part of the patrimony of the state. instead of being freely available to mankind as before. According to Ms Parry, the strictly to himself.

resources in three stages; an advance of \$10-\$15 per sample; some training and infra-But it is only recently that structure support; and a 1-2

But Thailand believes the Biodiversity Convention is not sufficient. It wants the additional security of national laws to control exports of genetic material.

"We're not trying to stop commercial development and we're not challenging the principle of intellectual property rights," says Dr Pennapa of the Traditional Medicine Institute. "But we don't want to be taken advantage of any more. We pay a lot for drugs and we need to have some rules some self-defence."

Like oil-rich nations before them, many developing countries believe they are prey to exploitation because they lack the financial and human resources to profit from their natural bounty. Thailand has fewer than 100 Merck, the world's biggest ogy (the study of fungus), and does not have the personnel or expertise to tially useful plants, insects monitor foreign patent applications.

> Pueraria is only one of Thailand's biological treasures. In 1975, the active ingredient in Plac-noi, a local berb whose medicinal properties were recorded centuries ago on palm-leaf books, was patented by Sankvo of Japan as an antiulcer treatment. And only lest month, Portsmouth Unimarine fungi samples to Thailand after a two-year tussle

> Such incidents have made Mr Wichai suspicious. Thailand, he says, possesses a natural ingredient that has the same effect as Viagra, Pfizer's blockbuster antiimpotence drug. But the name and the whereabouts of that plant he is keeping

EW MEDIA AND IROADCASTING

### MAN IN THE NEWS CHRIS GENT

# Cellular visionary

Alan Cane on the Briton leading Vodafone's audacious leap across the Atlantic

future of communications, (Tony. It's called cellular Tony Lewis, executive director of the UK computing industry trade association, swears the story is true. He also acknowledges that neither he nor anybody

try in the early 1980s had the faintest idea what Chris Gent, who made the forecast, was talking about. At the time the youthful Mr Gent was president-elect of the UK computing trade association. Today, he is chief executive of Vodafone. the the UK's largest and most responded in style. successful mobile phone

else in the computing indus-

realise the forecast he made 15 years ago. This week. Vodafone made a bid for AirTouch, a US- more than what many anabased cellular operator. If lysts believe to be fair value the acquisition is successful, for AirTouch. The aim was Mr Gent would head the two-fold: to pre-empt Bell world's largest cellular oper- Atlantic and other suitors, ator. The merged group and to exploit a market that would have a market capitalisation of about \$110bn and untapped. possess the geographic scale to challenge fixed-line opera-

tors such as AT&T, British his thinking. He forecasts Telecommunications and that every second person in Deutsche Telekom. "This is the developed world will his dream. It is something he have a mobile phone within has had on his mind for a long time." says a friend. It is not the first time a union between Vodafone and AirTouch has been mooted. Eighteen months ago.

merger talks collapsed remotely. because the two sides could not agree on a price. But when AirTouch said last week that it was considering a deal with Bell Atlantic, a US regional phone company, Vodafone board

Vodafone offered \$55bn in operator. He is also poised to stock and cash for the US company, exceeding the \$45bn Bell Atlantic is believed to have offered and Mr Gent believes is woefully

This belief in a wireless future" lies at the heart of tive in 1997.

five years. The mobile phone will become the key to electronic banking, cashless shopping, the electronic newspaper, even the means to open your garage doors

It is a vision that was passionately shared by Sir Gerald Whent, Vodafone's founder and first chief executive. The common purpose has led to one of the most effective partnerships in the telecoms industry.

"Whent was the entrepreneur," said a colleague. "He saw Vodafone as a huge piece of granite that he left Chris to sculpt." Mr Gent, unassuming and much-liked by colleagues and rivals, remains comparatively unknown in the wider business community partly because he seemed content to work in Sir Gerald's shadow until he finally succreded him as chief execu-

board betrays a Japanese-tions in Newbury, in the like solidarity. "You have UK's "Silicon Corridor". He team. They have common ideals and a common vision," said a consultant who has worked with the company, "They understand the market and they know where they are going and how they are going to get

If Mr Gent is primus inter pures, he has lost no time in its bid for AirTouch, Mr stamping his personality on the company. He began his career as a management trainee with National Westminster Bank before moving England's cricketers, who into the computing services are sponsored by Vodafoue. business, becoming director. In a rare burst of immedof network services for ICL esty, Mr Gent claims credit and managing director of for England's improved per-Baric, a computer bureau formance in the final two Vodafone's share price has owned by Barclays Bank and

His manner is unassuming but never diffident, in contrast to the taste for loud braces and coloured shirts the past two years. In the that he has retained 1980s the company was the

This common core at the throughout his rise. He reguheart of Vodafone extends larly turns up unannounced beyond the two top men. The at Vodafone's many locathe feeling the board is a remains the quintessential manager: informed but not interfering.

A former chairman of the Young Conservatives, he was a member of the Conservative party's national executive but has now apparparliamentary ambitions.

When Bell Atlantic made Gent and Julian Horn-Smith, head of Vodafone International, were both on holiday in Australia watching matches, though they still tripled to more than £10. lost the overall series.

Where he deserves credit, however, is for Vodafone's remarkable resurgence over brave individual would bet

young turk of the industry, wrong-footing its chief comsnapped up the lion's share of business customers. But by the 1990s, Vodafone

had become part of the establishment. It was the merket leader but was losing the initiative, especially among new, home subscribers, to brash newcomers such as One-2-One and Orange.

Mr Gent restructured the group's distribution channels, established the new red Vodafone logo, cut prices, spent heavily on advertising and embraced new trends such as "prepaid" packages ently abandoned which involve neither service contracts nor monthly line charges.

The reward has been substantial. Vodafone has reinforced its leadership with a record 993,000 net new subscribers in the final quarter of last year, almost double Mr Gent's prediction. Vodafone now has 9.1m subscribers worldwide. Since Mr Gent became chief executive,

The battle for AirTouch will test Vodafone's nerve. But on past evidence, only a against Mr Gent and his team winning the day.





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MEAT AND LIVESTOCK

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#### COMMODITIES & AGRICULTURE

# **Base metals** tumble as funds sell

**WEEK IN THE MARKETS** By Paul Solman

Base metals plunged, with London Metal Exchange's flagship threemonth copper contract falling to an 1112-year low while zinc, tin and aluminium dropped to five-year lows.

Analysts said warehouse stocks pointed to continuing deterioration in market fundamentals, although traders also blamed selling by investment funds for the collapse in prices.

Nickel staged a recovery later in the week on reports of cuts in production at the Larco mine in Greece and suggestions that laterite projects in Australia had run into trouble. Nickel has been hit by claims that the new low-cost processing of laterite nickel could double production in five years.

"Cuts in production have certainly beefed up the maroutcome of the laterite proiects." Martin Squires, analyst at Rudolf Wolff, said

But he added: "We're still wary of the downside. Forward demand is still weak, confidence hasn't returned to the European market and Asia remains a dog,"

Nickel ended yesterday up \$295 at \$4,425 a tonne, a gain of \$255 on the week. Copper was up \$17 at \$1.462 a tonne. down \$23.50 against last

Among precious metals, palladium was boosted by reports that Russia, the biggest supplier, would not begin exporting before the end of this month.

	Labor	Cition	Year	12E	H/98
	prices	On White	<b>1100</b>	High	ATTEN
Gold per troy oz.	\$291,25	+3.50	\$298.25	\$312,55	\$275.15
Silver per tray az	316.91p	-15,95	361.85p	475,700	386.88p
Aturninium 99.7% (cash)	\$1235.5	-2.0	\$1503.5	\$1521	\$1229.5
Copper Grade A (crest)	\$1437.0	-18.5	31698.75	\$1850	\$1437.0
Lead (cash)	\$500,0	+3,50	\$529,50	3514	8482.5
Nickel (cash)	\$4357.5	+260.0	\$5967.5	\$5967.5	\$3830
Zint SHG yeasin	\$923.50	+8	\$1089.5	\$1145.5	9929
Tin (cash)	95065.0	-102.5	55347,5	\$8245	\$5160
Cocoa Futures Mar	2919		£1067	£1136	2883
Caffee Facures Jan	\$1814	-61	\$1747	22115	\$1930
Sugar p.DP Rawt	\$217.20	+20.3	5297,40	\$297,40	\$172.10
Barley Futures Jan	£78.25	+1.25	174.50	\$20.50	967.00
Wheat Frances Jan	275.90	-1.00	£80.20	\$85.10	268.66
Coston Dodgok A Insten	56.00c	-0.05	73.10c	73.100	55.65c
Wool (64s Super)	315p		3890	392n	2790
Od (Brent (Send)	\$11.855a		\$16,490	318.49	\$9.575

Aluminiam/copper prices LINE 3-month (& per tonne)

B40,725

World oil prices strengthened in London, helped by American Petroleum Institute figures showing a drawdown in US stocks. In late Petroleum Exchange yesterday, the benchmark Brent blend for February delivery was \$11.76 a barrel against Thursday's close of \$11.53 and last week's finish of

its energy futures trading volumes rose by a third last year, a result of the extreme

futures dived \$74 or 4 per cent to \$1,748 on the London International Financial Futures and Options Exchange, after a bout of selling. The benchmark contract ended the week up \$31 at \$1,779 a tonne against last

	Laterat	Change	Year	19	BB/99				
	prices	un mek	mgo	بتوتد	Low				
Gold per tray az.	\$291,25	+3.50	\$298.25	\$372.55	\$275.15				
Silver per tray oz	316.91p	-15,95	361.650	475.70p	286.89p				
Aluminium 99.7% (cash)	\$1235.5	-2.0	\$1503.5	\$1521	\$1229.5				
Copper Grade A (crest)	\$1437.0	-18.5	\$1698.75	\$1850	\$1437.0				
Land (cash)	\$500,0	+3.50	\$529,50	3514	\$482.5				
Nickel (cash)	\$4357.5	+260.0	\$5967.5	\$5967.5	\$3830				
Zent SMG exacts	\$923.50	+8	\$1088.5	\$1145.5	9929				
Tin (cash)	95065.0	-102.5	\$5347.5	\$8245	\$5160				
Cocoa Futures Mar	<b>59</b> 19		£1057	£1136	2883				
Coffee Facures Jan	\$1814	-61	\$1747	22115	S1830				
Sogar 6.DP Rawl	\$217.20	+20.3	\$297,40	\$297,40	\$172.10				
Barley Futures Jan	£78.25	+1.25	174.50	\$30.50	967.00				
Wheat February Jan	275.90	-1.00	E80.20	\$35.10	268.60				
Coston Dedgok A Indet	56.00c	-0.05	73.10c	73.10c	55.65c				
Wool (64s Super)	315p		3880	292n	2790				
Oil (Brent, Blend)	\$11.855x		\$16,490	\$18.49	89,675				
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#### **WEEKLY PRICE CHANGES**

	Lainst prices	Change on week	Year mgo		1499
Gold per tray az.	\$291,25	+3.50	\$298.25	\$312.55	\$275.15
Silver per tray oz	316.91p	-15,95	361.65p	475.TUp	386.88p
Aluminium 99.7% (cash)	\$1235.5	-2.0	\$1503.5	\$1521	\$1229.5
Copper Grade A (crest)	\$1437.0	-18.5	31698.75	\$1850	\$1437.0
Land (cash)	\$500,0	+3,50	\$529,50	3514	8482.5
Nickel (cash)	\$4357.5	+260.0	\$5967.5	S5967.5	\$3830
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Tiny (cash)	95065.0	-102.5	\$5347,5	\$8245	\$5160
Cocoa Futures Mar	<b>59</b> 19		£1067	£1136	2885
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Coston Dedook A Insters	56.00c	-0.06	73.10c	73.10c	55.65c
Wool (64s Super)	315p		3890	392n	2790
Oil (Brent (Fend)	\$11.855x		\$16.490	\$18.49	39.575
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Meanwhile, the IPE said

March robusta coffee week's close of \$1.815.

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ued to benefit from Thurs-

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IN PILLPEX CHALX (LESS; 24 at dry tons 416.00 -12.00 428.00 418.00 2

Spices from Men Producten
Prices in 5 per torns, Demand for white
pepper him improved whereas the supply
remains tight, Origin producers are releaing small quantities only at higher prices
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than estimated. Murriot white pepper
than estimated, Murriot white pepper
than estimated. Morriot white pepper than estimated, Murtok white pepper than estimated Murtok white pepper thaded spot-Europa at \$7,500 against \$8,000 late lest year, Elack pepper prices sended firm as well, However, buying interest remains limited to amalier job, for nearby deliveries. Lower prices are expected once the new crop in India arrives the month, Black pepper FAQ hinded at \$4,700 appl Europa goodnets select \$2,000.

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WORLD BOND PRICES

# European, US markets diverge

**GOVERNMENT BONDS** By Bertrand Benoit and Rahul Jacob in London and John Labate in New York

European and US bond markets went their separate ways yesterday after a US payrolls report showed the economy was growing faster

than expected.

interest rates in the near

decouple from the US," said

Higher unemployment euro bonds will benefit as bers is just the sort of bad numbers in Germany, meanglobal investors rapidly allo-

BENCHMARK GOVERNMENT BONDS

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Drompik	1170 1176	9 000	109.5200 121.4500	3 53 4,06	-0.05 +0.01	-0 29 -0 16	-0.32 -0.22	-0.5 -1.3
Firmed	00 TOD 04 TIS	4 QUQ 6 000	101 2470 116 0700	3 (9 3 90	10.0- 10.0-	-0 97 -0 11	*637 -014	-07 -12
Honos	07'00 10:09	4.000	101.3800 125 1400	303	-0.03	-0 14 -0 06	~0 15 ~0 01	-15 -12
	10.TM 04.73	8.500 5.500	137 9000 113 6600	1/9 485	-0.01	-0.09 -0.11	-007 -003	-1.2 -2.0
Cornany	06:00 1075 07:03	4.000 6.500 A 750	101 3400 117,1000 107,6000	3.60 3.60 3.78	-002 -001	-0.08 -0.11 -0.09	-030 -006 -000	-0.9 -13 -13
Greecy	01:29	5.625 9.600	114.9900 99.6578	10.06	+0.05	-0.20	-0.10	-10
helangi	10.01	6 500	115 0962	6.40 3.14	+0.01	-0.50 -0.12	-094 -0.15	-13 -16
Raty	08:08	4 500	102,9500	3.93	+0'0!	-0.15	-0.09	-14
•	07:03 06:08	4.500 5.000	104 7200 108,6000	3.36 3.89	-0.01	-0.08 -0.09	-0.14 -0.08	-16 -15
Japan	12:00	6.500	111.5240	0.67	+0.01	-0.15 -0.14	+0.14	+0.0
	1203 06/16 9378	4.100 1.800 2.700	93.9030 102.9370	1.33 1.81 2.56	+0.15 +0.14 +0.13	-0 19 -0 13 -0 21	+0.45 +0.63 +0.63	+10 10+ 100
Neihor Japan	05,00 07:08	9.000 5.250	10° 6300 110.7400	3.05	-0.04	-0.15 -0.00	-0.17 -0.05	-! £
New Zeatand	02:01 07:09	8,000 7,000	105.4986 111.3435	5.14 5.56	-0.01 10.0+	-0.02	+6.74	-25 -12
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Portugal	03-00 08-00	5,375 5,375	1025400 111.2000	3.15 3.93	-0.08 -0.04	-013	-0.15 -0.20	-1 44 -1.53
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Species	05.70 80.20	19.258 8.500	108,6040 118,7950	3.37 4.03	-0.02	-0.16 -0.12	-418 -022	-1.57 -1.63
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UII,	17:01	7.000 8.500	105.2900 109.9100	4.58 4.24	-0.03 -0.04	-0.17 -0.09	-0.21 -0.23	-204
	10/09 12/28	9.000 6.000	137 5000 128 7702	4.26 4.26	-0.02	-0.10 +0.02	-0,23 -0,10	-1 <i>8</i> 0
US	09/90 08/03	4.500 5.250	99.6047 101 8278	4.74 4 80	+0.05	+0.13 +0.16	+0.24	-0.5t
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that the European Central euro-zone countries. Bank would have to cut In Germany, un In Germany, unemployment rose by a seasonally adjusted 34,000 in December, suggesting that a slowdown

"The decoupling of the two

markets is striking. Both in the economy is well under 119.46. economic fundamentals and way. Mr Islam expects the US Treasuries sold off portfolio flow expectations European Central Bank to after payroll figures showed are allowing Europe to cut rates twice by summer.

lifty Islam of Deutsche Bank. across the euro-zone, the rallied. By early afternoon Many observers believe higher unemployment num-

Coupled with low inflation and as stocks on Wall Street

30-year bond was down % to news bond investors like. 99%, sending the yield while, reignited speculation cate more funds to the 11 The bund future closed at higher to 5.252 per cent. US INTEREST RATES

**BOND FUTURES AND OPTIONS** 

112.03

GERMAN BUND FUTURES (OTE) DM250.000 T000m of 100% 0.54 0.78 1.08 Low Est vol Open int.

EAL TTALLAN GOVT. BOND (BTP) FUTURES (LEFTE)\* Lies 200m 100ths of 100% Ç.W Est. vol Open Int.

155,700 185,148

Mar 0.16 0.40 0.78 0.70

Euro Open Sett price Charge 117-32 117-45 +0.10 117.31 15,951 14.539 11215 112.30 11210 SURY BOND FUTURES (CBT) \$100,000 33xds of 100% Closs High Est. voi Open est. +0.18 27947 130,22 129,12 G. FTSE Actuaries Government Securities **UK Indices** 1 Up to 5 years (16)
2 5-16 years (7)
3 10-15 years (7)
4 5-15 years (18)
5 Over 15 years (4)
6 Irradeemables (4)
7 All stocks (44) 122.44 0.12 173.09 8.20 189.22 0.15 177.79 0.18 235.66 0.08 332.94 0.09 168.34 0.14 0.57 1202.76 2.40 0.58 1350.67 5.95 0.00 1479.15 8.77 0.46 1367.57 6.90 0.00 1801.91 11.67 0.00 1829.55 23.60 0.37 1368.65 7.00 34.40 29.07 13.50 42.57 22.25 0.78 100.00 1 Up to 5 years (2) 2 Cher 5 years (3) 3 5-15 years (5) 4 Over 15 years (4) 5 All electes (11) 227.13 -0.03 257.17 -0.07 241.25 -0.08 271.51 -0.10 251.55 -0.06 1.22 1.62 1.45 1.76 1.55 0.90 1182.92 15.25 0.86 1396.37 84.85 0.50 1304.08 43.40 0.84 1480.68 41.25 0.55 1368.83 100.00 Jan 7 Yrago High 2.82 2.12 2.17 2.10 2.16 2.11 1.96 1.94 1.98 1.97 3.43 13-22 8.90 16.82 17.88 3.04 3.02 3.01 3.02 3.02 116.48 116.37 116.15 116.25 116.45 103.65 116.45 23.31 Finance 167.54 157.55 157.56 157.73 157.84 138.29 157.84 118.22 157.84 1

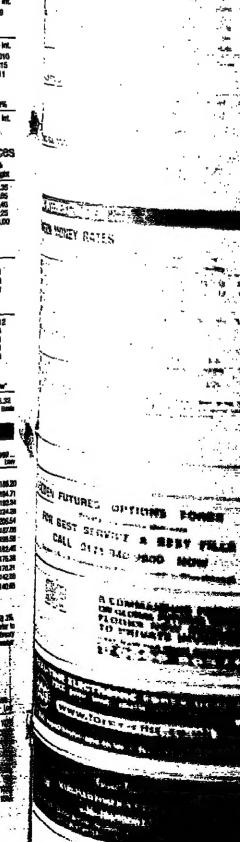
INDICES

M. (\$10) Sout (Base: 1970 = 100) **Jan 6** 137,53

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I pollar's boost

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**CURRENCIES & MONEY** 

# Dollar's boost

MARKETS REPORT By Alan Beattle

The dollar shot up against the euro and sterling yester-day on the back of employment data showing the US economy continuing to surge

Traders struggled to recall the last time that a piece of data rather than rumours of capital flows had moved the dollar, a tentative sign that some degree of normality was returning to the cur-

rency markets.
After rising by nearly a cent in a few minutes after the data were released in the middle of the European ses-sion, the dollar consolidated its new position. At the end of London trading it closed at \$1.155 against the euro, up from \$1.167 the previous day, and \$1.64 against sterling, up from Thursday's close of

But against the yen, the dollar remained unmoved by the data, evidence that many traders expect the dollar's next move to be further

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**EXCHANGE CROSS RATES** 

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**EURO SPOT FORWARD AGAINST THE EURO** 

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-0.0122 544 - 548 -0.0142 976 - 980 -0.0158 484 - 500 -0.1740 200 - 345 -0.018 551 - 554

-0.0815 237 - 256 -0.0905 485 - 523 -0.4890 120 - 234 -0.52500 417 - 204 -0.0293 179 - 304 -0.9550 557 - 816 -0.048 901 - 90 -0.0187 959 - 102 -0.0184 324 - 353 -0.0184 324 - 332 -0.1288 996 - 129 +13.0100 282 - 68 -0.327 318 - 355 -0.2722 110 - 344 -0.0433 425 440 -0.0433 425 440 -0.0433 425 440

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UK delaing bank base lending rate 5 per cerd horn Jan 7, 1989 Up to 1 1-3 3-8 naontic naontic mondes

SHISS FRANC FUTURES (MAIN) SFr 125,000 per SFr

UK INTEREST RATES LONDON MONEY RATES The dollar's jump came after the US Labor Departpayrolls leapt a huge 378,000 in December. Even after adjusting for the effect of

above most expectations. "A lot of people are now beginning to wonder if the next move in rates in the US

-- Lates!---1.6405 1.9390 1.6372 1.6367 1.5495 1.5490 1.5460 1.5449

might be up," said David Bloom, currency strategist at HSBC in London. Mr Bloom said that the key to the out-look for interest rates and the dollar was the stock market. "Obviously the current account looks worrying," he said, "but as long as you promise 20 per cent returns on the Dow, there will be no shortage of capital to finance

The dollar interest rate ship would weaken.

34.8350 7.4398 321.585 249.240 8.5327 4.0020 12994.00 26.7843 42.4445 9.0998 1.6049 0.7009

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25.1910 7.4496 324.850 250.690 8.6250 4.0395 19035.90 27.3218 43,0700 9.2150 1.5193 0.7112

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Open Int. 59,600 1,311 139

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15,291

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-1.5 -2.0 -6.3 -38.7

2,1448 46,1474 4,3738 1,9317 6,9227

37.3215 -19 42.3835 -2.9 4.2556 -2.1 557, Samuel West, 1.55

21.27 497.0 11.52 289.3 13.08 305.6 4.387 102.5 10.89 254.6 0.443 10.35 3.894 90.97 16 223.7

18 223,7 4.280 100 5.157 219,1 5.327 219,1 5.320 124,3 12,18 224,7 4.905 114,6 7.427 173,5 6.586 155,7 8.580 200,5

412.5 223.5 253.7 85.07 211.3 8.593 75.50 193.9

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EL STERLING FOTURES (ERIA) 202,500 per 8

1.746 0.946 1.074 0.350 0.864 0.036 0.320 8.821

9.827 9.351 9.423 9.770 9.437 1 0.403 9.510 9.547 9.704

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0.9118 0.9210

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94,539 94,980 95,110 94,800 95,110

3.998 2.166 2.459 0.825 2.048 0.083 0.732 1.889

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Change -0.010 -0.035 -0.030 -0.026 +0.010

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MI SHORT STERLING OPTIONS (LPFE) £500,000 points of 100%

CALLS .

12.29 13.95 4.678 11.82 0.473 4.152 10.86

10.56 4.584 5.499 10 5.574 12.59 5.231 7.920 7.107 9.150

4.336 2.349 2.857 0.894 2.221 0.090 0.794 2.039

0.873 1.051 1.912 1.085 2.484 1 1.514 1.389 1.749

2.854 1.552 1.761 0.591 1.467 0.060 0.524 1.346

7.348 0.576 0.894 1.253 0.716 1.540 0.660 1 0.897 1.155

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1.6330 1.6330 1.632

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0.090 0.055 0.120 0.200 0.300 0.410

319.1 172.9 196.3 65.82 162.5 8.849 58.42 150.0

750.0 64.22 77.37 140.7 79.83 182.8 73.50 111.4 100 128.7

Est. vol Open int. 23,475 72,215 54 4,048 45 1,380

Est. val Open int. 29682 187836 35329 189502 29807 164767 7348 133459 12634 115899

Sep 0.080

0.130

0.205

PUTS Jun

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43,395 1,213 230

1,860

2.479 1.343 1.525 0.511 1.270 0.052 0.454 1.765

0.489 0.501 1.093 0.820 1.420 0.572 0.868 0.777 1

1.2271 -1.8
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49.3619 -6.3
9510.49 -38.7
128.4186 3.0
2.1396 -1.1
44.2582 -10.9
4.3462 -3.7
1.8554 0.9
6.7852 -14.1
27.1713 -0.9
42.1668 -2.8
21.1668 -2.8

futures market took a tumble on the news, contracts expiring around the end of 1999 and early 2000 falling by around 10 basis points as traders revised up their view ment reported that non-farm of the likely interest rate path.

Interest rate futures and forward rate agreements unseasonably mild weather now hardly price in any fall in the US, which was in US interest rates in 1999, thought to have contributed and suggest they are likely most of the 100,000 rise in to rise in the first half of construction jobs in December, the number was well

the difference between the dollar and the euro when the sharp movement came, fallrising against the latter. It closed yesterday at £0.704 against the euro, up

from £0.708 on Thursday. This was the first test case of how sterling will behave when faced with a shock to its traditional partner, the dollar. It is a truism in the currency markets that although the UK has a higher trade exposure to continental Europe, sterling from the dollar than European currencies. Some had speculated that

with the inception of the euro, this familiar relation

-5.5 35.7351 -0.6 7.4905 -7.4 343.8659 -12.5 279.0884

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higod"	<b>(74</b> )	4.4422		385 - 458	£4490	6.3540	8.4216	29	8.3865	25	8.2575	22	
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reigna"	餌	1.1182		177 - 187	1.1191	1.1066	1.1155	2.9	1.1109	28	1.0938	22	
kiy"	(4)	2749.24		805 - D44	2751.34	2720.50	27 (2.54	29	2731.12	26	2533.1	2.2	
montporta.	(LFr)	57.2773	+0.2542	524 - 021	57.3220	58.6800	57.1379	29	S\$ 3997	26	55.0249	22	
icho buch	(Pi)	3,1290	+0.0139	278 - 308	3.1313	3.0963	3.1214	29	3,1084	25	3.0606	2.2	
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ikalaysia	100	8,2332		332 - 332	8.2773	6.2205 3.0251	-		0.0579	1.3	3.095	0.3	
iew Zeeland	(ACCE)	3,0351		322 - 360	1.0482		3.0305	1,8	3.0253				
- Mippines	رسر	62,4135		484 - 788	62,7296	<b>52.1106</b>	82,8267	-7.9	63,6807	-8.1	67,7104	-8.5	
Arabia.	679	6.1519		497 - 541	6.1958	6.1400	8.156	-0.8	6.1693	-1.1	6.2441	-1,5	
angagon e	600	2,7500		475 - 524	27679	2,7420	27414	38	2.7247	3.7	2,5806	25	
iouib Africa	P)	0.5210		106 - 330	9.6229	9.4844	0.0105	~11.2	9,7845	-10.2	10.494	-10.2	
lock Kres	(Mign)	1923.25		CC1 - 630	1949.71	1890.00		-		-	-		
NAME OF THE PARTY	(TS)	52,7398	-0.2362	130 - 655	52,1399	52,6411	20 B/E	2.0	52,641	0.7	2.802	-0.2	
أدفانها	(20	59,7398		255 - 400	60,1160	99.6140	51.7253	0.3	59,7828	-0.3	51.0744	-22	

EMS EUROPEAN CURRENCY UNIT RATES

Jan 1,32 2,07

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**BASE LENDING RATES** 

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Financial & Gen Blank 8.00
efficient Florning & Co.6.00
Habib Blank AG Zurich 6.00
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	Ореп	Sett price	Cherge	H Car	LOW	Est. Vol	Open int
Har	96.91	96.910	-0.005	98.926	BG.900	5,342	28,815
in.	97,04	97.065	+8.015	87.075	97,040	3,545	13,118
Temper	MONTH EUR	BUARK POTU	NAS (LIFTE)	CANTON pol	nis of 100%		
	Open	Sett price	Charge	High	Low	Est. vol	Open in
	96.910	96.910		96.930	96.895	72647	460430
Sur.	97.D45	97.065	+0.020	97.090	97.025	70648	410696
Sap	97.070	97.105	+0 fB0	97.125	97.065	54610	316745
Dec	96.790	96,805	+0.005	98.830	96.770	19628	21.51.75
OF P	WHITH EURON	ARK FUTURE	ŝ (LIFFE)" (	XXXX pokub	of 100%		
_	Open	Sett price	Change	High	LOW	at. Vo	Open in
A							
THE	MONTH BUR	HEA PUTCH	S UTT	L1000m pol	ma of 100%		
	Dpan	Sett price	Change	High	LOW	Est. Vol	Open in
Nas-	96.930	96.910	-	96.940	96.900	1881	241463
in .	97.070	97.065	+0.020	97.070	97.060	622	68766
Sap .	97.110	97.105	+0.030	97.110	97.090	158	42630
Dec	96.626	95,805	+0.005	98.830	96.620	278	41004
THE	MONING STREET	SWISS PRA	AC PUTURE	S (LIFTE) SI	i'im points	of 100%	
	Open	Sett price	Change	High	Low	Est. vol	Open In
Har .	98.540	98.530	+0.010	98.560	98.510	12122	64179
ken .	98.420	98.420	+0.010	96.450	98.400	4463	35913
Sep	98.320	98.310	+8,010	98.340	98.300	2457	22914
Dec	97.940	97.940	+0.020	97.970	97.930	1054	9116
THE	MONTH EUR	YEN PUTUE	S (LFFE) Y	100m polež	of 100%		
	Open	Sett price	Change	tilgn	Low	Est. voi	Open In
dar .		99.30	-0.03			0	13/19
km		99.37	-0.02			0	n/a
Sep		99.30	-0.02			0	p/n
LIFFE NO.	and the last	III APT					

	MONTH EUR						
	Open	Seti price	Change	High	Low	Est. vol	Doen int
lidea"		98.910				0	5794
Jan .		97.065	+0.020			0	2233
Sep		97.105	+0.030			0	. 1459
Dec		95.505	+0.005			0	666
	MONTH EXR						
						Fet uni	Done int
	Open	Labori	Change	High	Low	Est. vol	Open int
	Open 96.03	Laint. 94.99	Change -6.03	High 85.04	LOW 94.06	42,967	466,967
	Open	Labori	Change	High	Low		-
Mer Jun Sep	Open 96.08 96.09	94.98 95.02 95.02	Change -0.03 -0.07 -0.08	High 85.04 95.11 95.12	LOW 94.96 95.00	42,967 96,789	486,967 414,852
Mer Jun Sep	Open 95.03 95.09 95.10	94.98 95.02 95.02	Change -0.03 -0.07 -0.08	High 85.04 95.11 95.12	LOW 94.96 95.00	42,967 96,789	486,967 414,852

•	M EUROMA	ARK OPTIO	us (UFFE)	OMITE po	inin of 1001				
	Strice	-		CALLS -	<del></del>				_
	Price	Jan	Feb	Mer	مبار	Jan	Feb	Mar	
	96575	0.050	0.055	0.085		0.015	0.030	0.050	
	57000	0.010	0.025	0.040	0.170	0.100	0.115	0.130	E.
	97125	0.005	0.015	0.020		0.720	0.230	0.235	
	97250	D	0.005	0.010	0.070	0.340	0.345	0.350	0.5
	Sel. vol. brief	Cale 25 C	Page 625	7. Provious	day's open is	L, Calls 800	800 Pale	221084	
	EURO S	WISS FLAN	C OPTION	e inte	Fr 1m poin	a of 100%			
	Strike			CALLS -			_	PUTE -	
_	Price	N.	<b>=</b>	Jan	Sap	Marc		Jun	St
	96750	0.0	60	0.100	0.120	0.290		0.430	0.5
	98875	0.0	30	-		0.375			
	E					-			

Strike	·	CALLS -			PUIS -	
Price	Mer	Jun	Sep	Mint	Jkm	9
96875	0.085		-	0.050		
97800	0.040	0.170	0.245	0.130	0.105	0.1
97125	0.020			0.235		
	i, Calle & Puiz G. Prov		_			
M PHILAD	ELPHA SE D-MAIN		DIA62,500	g bas DHA		
Strike		CHIP -			PUTS	
Price	Jim	Feb	Miler .	Jan	Feb	M
						-
0.595	0.59	1.01	1.29	0.19	0.50	0

ī	ES		ME PHY	LADELPHI	SE D-M	ABK/S OFTIOMS	0462,	900 fS par 13Mg		
		%	Syrice			61110			- PUTS -	
	<b>eSinger &amp; Friedlander</b>	B.00	Price		Jin	Feb	Min	Jan	Feb	Mar
	Smith & Williamson	8.00	0.595		0.59	1.01	1.25	0.19	0.50	0.70
	Sun Bank	00.3	0.909		0.32	0.73	1.01	0.40	0.72	0.89
	TSB	6.00	0.805		0.13	9.51	0.78	0.64	-	1.20
	United Bank of Kuwsit.	6.00	Provinces	69/3 WL, (	inter S Prop	O . Tres. day's op	en bet, D	da 745 Pola 3,596		
	Unity Trust Bank Pic	6.00	1							
		6.00 9.00		THER (	CURRE	NCIES	_ [	FT GUIDE IS WO	NLD CURREN	<b>1</b> 23
	<ul> <li>Members of London Investment Benking Association</li> </ul>		Hangery Item Kowait Pens Polyani	353,934 4922,40 0,4944 5,2359 5,6819 38,0434	- 354,396 - 4919,40 - 0,4952 - 5,2424 - 5,6936 - 38,4768	\$ 30.2980 - 30.3 215.840 - 215. 215.840 - 215. 3000.00 - 3000 0.3015 - 0.301 3.1930 - 3.193 3.4650 - 3.477 23.2000 - 21.45 3.6728 - 3.673	990 1.00 18 50 90 500	The FT Guide to can be found of Monday's edition	q the Marks	

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### **UNIT TRUSTS**

#### IN WINNERS AND LOSERS TOP FIVE OVER 1 YEAR: Perpetual Latin American Gth . TOP HVE OVER 3 YEARS: Lazard Pacific Growth 900 MA Save & Prosper Korea 2.401. 1000 . 2.521 2,147 2,488 2,298 2,129 TU Extraction . . . . - aoo \_\_ 1,782 2.273 .700 600 BOTTOM FIVE OVER 1 YEAR: BOTTOM FIVE OVER 3 YEARS: Scot Widows Latin America 475 275 Save & Prosper GM & Express (liki Meduai Thailand Act. -500. Save & Prosper Gold & Exp\*fion 318 529 Save & Prosper Korse 367 428 | Aberdess Prolific Emerg Mass 380 Five Arrows G Latin America A 530 423 200 L **Contracts Gold & lot's Resource** Tables show the result of investion £1,000 over different tipes periods. Freeix are registed on 3-year performance. Warning page parts UK Eq & Bd Europe ☐ Best Peps Perpetual High Income 1025 1525 1768 4834 3.9 3.6 ANESCO European Growth 1541 2488 3207 6402 6.7 Average Unit Trust 1290 3023 44 24 2298 **2990** 2273 **2818** 1506 17J Europeen NPI UK Extra Income 1129 3.0 1.6 1417 - · AT 1.1 1977 Average Investment Trust 1354 3323 62 46 1496 5288 5.8 0.6 Cantilla Income Dis 1036 1615 3.1 2.8 Newton European 1423 1773 - 6.1 .0.5 AXA Sun Life High Yield 3.1 2.6 **Paring German Growth** 62 01 **Building Society** AXA Sun Life Income & Orth 1905 4138 1101 1465 1673 1097 Sinciprocinet: FISE AS-Share 1152 1097 · 38 396 3258 3.1 2.7 SECTOR AVERAGE 65- 67 UK Growth Global Emerging Mikts Norwich Property Akways Residential Property Juniter LIK Growth Exercet 1.0 4.9 Stowart Ivory Emerging Market Exeter Capital Growth 1152 1122 - 1.7 4.7 298 1.5 4.8 Hill Samuel Global Errory Micks 746 460 -741 868 775 - 7.9 .-- 8.7 0.3 1044 1273 840 1268 1147 1821 Aberteen Profile Property Str. Bankage Property SECTUR AVERAGE 4358 4.3 1.3 1494 Mercury Energing Nariots Johnson Fry Stater Gro Provide Pref & Flood Interest 2298 - 35 0.6 - 4.0 0.6 2238 1867 1468 1552 1533 River & Mercantile 1st Growth 1108 1812 1061 2164 Gartmore PS Emerging Markets 1213 18.6 1166 CGU PPT Monthly Income Plus SECTOR AVERAGE Thornhill Capital 1775 1001 1.7 6.7 718 14 57 ■ UK Growth & Income IK Gilt **III.** Nth America International Equity Income 2521 2263 7684 7.1 2155 2202 5241 5.1 Reming Select Long-dated Gift Fidelity Institutional Lg Gift 1245 1651 1248 1626 1826 4208 3.5 1856 2298 4.3 CF The Utilities 1184 1790 2086 - 37 21 1187 1541 Pitrer & Mercantile Top 100 - 33 23 1177 1753 Premier Globel 100 MaySower Globel Income 1220 1544 1089 1413 1201 1276 Old Mutual North American - 22 51 Fleming Select UK Income 1746 2915 3353 3.7 2.9 Mercury Long-Dated Bond 1413 1577 3109 2100 2359 1176 1516 21 32 Baring American Growth 1745 1840 1733 1867 - 3.7 2.9 - 4.1 1.7 Laurence Keen Income & Growth 1105 2073. 2627 1175 HSBC Footsie Fund 48 Fleming Select UK Index Linked 1171 1412 - 13 21 Crack Scienc Transatio 1124 1319 1326 2270 1.3 4.5 1118 1611 2008 4875 SECTION AVERAGE **W** UK Smaller Companies International Fixed Interest GT UK Smaller Companies Acc 1005 1256 1044 1236 1070 1234 996 851 863 1578 1628 1497 -- 43 1.8 1022 832 747 1411 7.0 2.0 604 1132 6.9 1.2 Henderson Exempt Orgnet HSBC Hone Kone Growth 4504 10.0 2.6 Baring Global Bond 1337 - 13 48 852 674 47 21 - 9.8 0.8 - 7.2 0.6 1132 6.9 1.2 Barchivs BGI Intl Fix Interest - 10 41 Hill Samuel Natural Resources Henry Cooke LG East Enterprise 1290 1050 1002 1065 **Cartmore UK Smaller Com** 1454 1938 2443 4.8 1.3 819 AES and Bond & Convertible 1226 1236 - 1.1 5.3 Lloyds TSB Natural Resources 679 1756 7.5 04 959 1454 2033 900 1135 1318 - 44 1.7 588 1380 Laurence Keen Smaller Cos 3377 10.0 2.1, 2541 48 13 2373 9.1 1.3 UK Equity Income Far East inc Japan III International Equity & Bond **BWO UK Equity Income** 1120 1738 210t 3770 3A 3.2 Jupiter For Eastern Flerning General Opportunities 1175 1527 Outlier High Inc les Tat Acc . 1452 1132- 1703 1747 2754 3.3 4.0 2412 800 1049 1081 1187 Promier Enlerprise S & F Investment Tat Portiolio 192 AB Govett Greater China 807 686 1925 9.7 Bank of Ireland Ex Mgd Growth 1432 1651 3011 3.7 1.5 1851 1314 3.2 3.1 3.1 760 NPI Global Care Income 75\$ 706 1044 Royal & SunAll Far East 64 12 Gartmora PS Medium Term Balan 1153 1404 1524 3010 2.2 2.3 . 1310 1305 46 8.0 1865 4447 32 3.3 756 **Gurtmore Practical Inv** Drescher RCM Oriental Income 133 1703 6.5 3.1 1111 1373 2786 3.4 3.0 1402 - 38 33 1275 1456 1582 3025 3.4 3.8 1309 1397 W UK Equity & Bond Income Fund of Funds International Growth 1474 1637 2096 3.6 1.1 1452 1703 8315 4.5 0.1 Abbey National Extra Income Rollin Callerd Japanes 1072 1019 \$36 \$22 **Cartmore Global Litings** 1372 1904 2836 Royal & SunAll Portfolio 1115 1474 . 1837 833 Newton Japan 62 4712 53 '05 979 1390 1203 CIS UK Income - 29 3.2 1073 1527 **Murray Japan Growth** 1806 2170 53 07 1131 - 41 0.6 1174 Family Ridelity Menaged 1438 6376 - 1.8 4.4 - 25 5.4 920 980 Fidelity High Income 1114 1495 1450 1174 0.0 12 00 1438 1918 Aberdeen Prolific Techno 1076 HSBC High Income 1479 Martin Currie Japan 5.8 9719

#### **INVESTMENT TRUSTS**

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#### WINNERS AND LOSERS

TOP FIVE OWER 1 YEAR:

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MANAGO Korea 1,7		1000				_	Foreign & Coll Enterprise 3,253					1	· " ÷	Formign & Col Enterprise 3,856	- TUUD-	ř -		4 464 * *			reign & Cof Estargree 10,444	1800			
Aberdeen Preferred Income 1,8		1800					Perpetual European 2,472					M		TR European Growth	900	<b>⊢</b>					edoler. 7.313				
Perpetual European 1,5	au .	1900				<b>T</b>	TR European Growth 2,300	2400	J			н.,	. 34	Cardovir 2,772	800	<b>L</b> A_					The state of the s	1400	-		
Henderson EuroTrast Units 1,4	<b>19</b> 5	1400	Α.			L.	Henderson EuroTrust Units 2,378	2200			-1	44		Kleinwirt Development Fund 2,705	700	V	ΛM	1	. 3	. 14	inburgit US Tracker - 5,611			ЛV	Π. Έ
Gartmore European - 1,4	29	-	71				Fleming American 2,229	2000				_K		Gartmore European 2,549	600		-		<u>ر</u>	D	arter European 5,582	1200			1_
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Majedie	12	1704	179	7	4.8	2.4	Gertmore Bull Inc & GEN Units	1271	1711	-	-	24	3.5	Bufflie Gifford Japan	1054	614	536	14 7	נגי	- 1	TR Property	880	.1475	1102 1	9 53
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RIT Capital Partners	715					0.8	Gartmore Smaller Companies	874	1309	1541			2.8	Mertin Currie Pacific	306	806	567				Framkington Dual Cap	1186	2892		4 20.9
Handerson Electric and General	117	8 1577	179	6 11	5.1	1.4	luony & Sime UK Small Cos	935	1206	1321	25	7.1	2.9	Foreign & Col Pacific	967	502	372	20 7	5 2	2.2	Fuicrum Cap	1203	2833	2040 2	20 13.1
British Assets Growth	105			- 27	5.0		Flaming Mercantile	847	1193				4.5	SECTOR AVERAGE	866	622	827	- 7	8 4		Surimore Scotland Cap	1292	2656	2784 3	0.9
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							-						<u>.</u>		Gener				_		Split - Inc & Residua		Shar	25	
British Assets	114				5.3	4.5	Aberdeen High Income	1317	1995		-		7.9	Aberdaen New Dewo	1037	522	424				Johnson Fry Usasses		3955	3242 2	10.2
Securities Trust of Scotland	101				4.8	4.2	Dartmoor	1354	1961	2198			9.1	Aberdeen Aelan Smaller Co	1057	518	-	26 1	_		Johnson Fry European Utilities		3408		9.8
Memay International	100			5 17		4.2	Glasgow Income	1207	1849	1667	-		5.2	Pacific Horizon	262	498		21 18			Henderson EuroTreat		2724		1 8.5
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### Glossary

prices in both cases. So comparisons flatter investment trusts.

Performance: Tables like these are full Volatility: Shows the absolute variabil- Yield: Even this has traps for the Peps: Some unit and investment trusts. Discount: Investment trusts shares tra- Split capital trusts: Caveat emptor. Island of traps for the unwary. Trap 1: don't ity of a trust's performance. As a rule unwary. Most unit trusts charge their can be put into a general personal ditionally sall for less than their you do not already know what they will do best in future - they are merely a historic record. Trap 2: don't make minute comparisons of unit and investment trusts - the unit trust figures take account of the spread between buying and selling prices; the inguer the return investment trust ones take minute comparisons of unit and investment trusts - the unit trust figures take account of the spread between buying and selling prices; the inguer the return investment trusts of the additional risk. Unusually volatile funds should be avoided by anyone investment trust ones take minute comparisons of unit and investment trusts - the unit trust figures take account of the spread investing over the short or medium thus inflating the yield. Our managed can be put into non-qualifying funds thus inflating the yield. Our managed can be put into non-qualifying funds thus inflating the yield. Our managed can be put into non-qualifying funds thus inflating the yield. Our managed can be put into non-qualifying funds thus inflating the yield. Our managed can be put into non-qualifying funds thus inflating the yield. Our managed can be put into non-qualifying funds thus inflating the yield. Our managed can be put into non-qualifying funds thus inflating the yield. Our managed can be put into non-qualifying funds thus inflating the yield. Our managed can be put into non-qualifying funds thus inflating the yield. Our managed can be put into non-qualifying funds thus inflating the yield. Our managed can be put into non-qualifying funds thus inflating the yield. Our managed can be put into a game to capital trusts are allowed to charge some or all of into a single company Pep. Up to 21,500 into a single company Pep

take a long-term view may want to have some high risk/high reward trusts against income, but some now charge in their portfolio to spice it up.

trusts used all to charge expenses must be in European Union shares or qualifying corporate bonds. Peps will be replaced with the individual savings account in April 1999, which has different rules, but existing Peps will con-

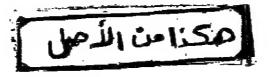
ment trusts look better than unit isty different investment needs. trusts on longer-term comparisons.

expect them to tell you which trusts of thumb, the more volatile a fund's will do best in future – they are progress, the higher the return invess so the yield is net of expenses. But a against income and capital gains tax.

\*\*But a against income which shields investors underlying asset value. The gap are, you would probably be wiser to so the yield is net of expenses. But a against income and capital gains tax.

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\*\*But a against income with the more volatile a fund's so the yield is net of expenses. But a against income with the property of the p count. In the 1974 bear market, discounts were as wide as 45 per cent and The traditional variety is relatively aithough they have mainly narrowed simple; income shares get all the to well under 10 per cent in recent income; capital shares get any capital years, they add an additional uncer- growth over the life of the trust. But tainty to investment trust share price nowadays splits are highly complex prospects. The sharp narrowing of the with several different types of security discount is another reason why invest- with differing rights, and aimed to sat-



tinue to operate.

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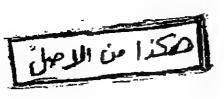
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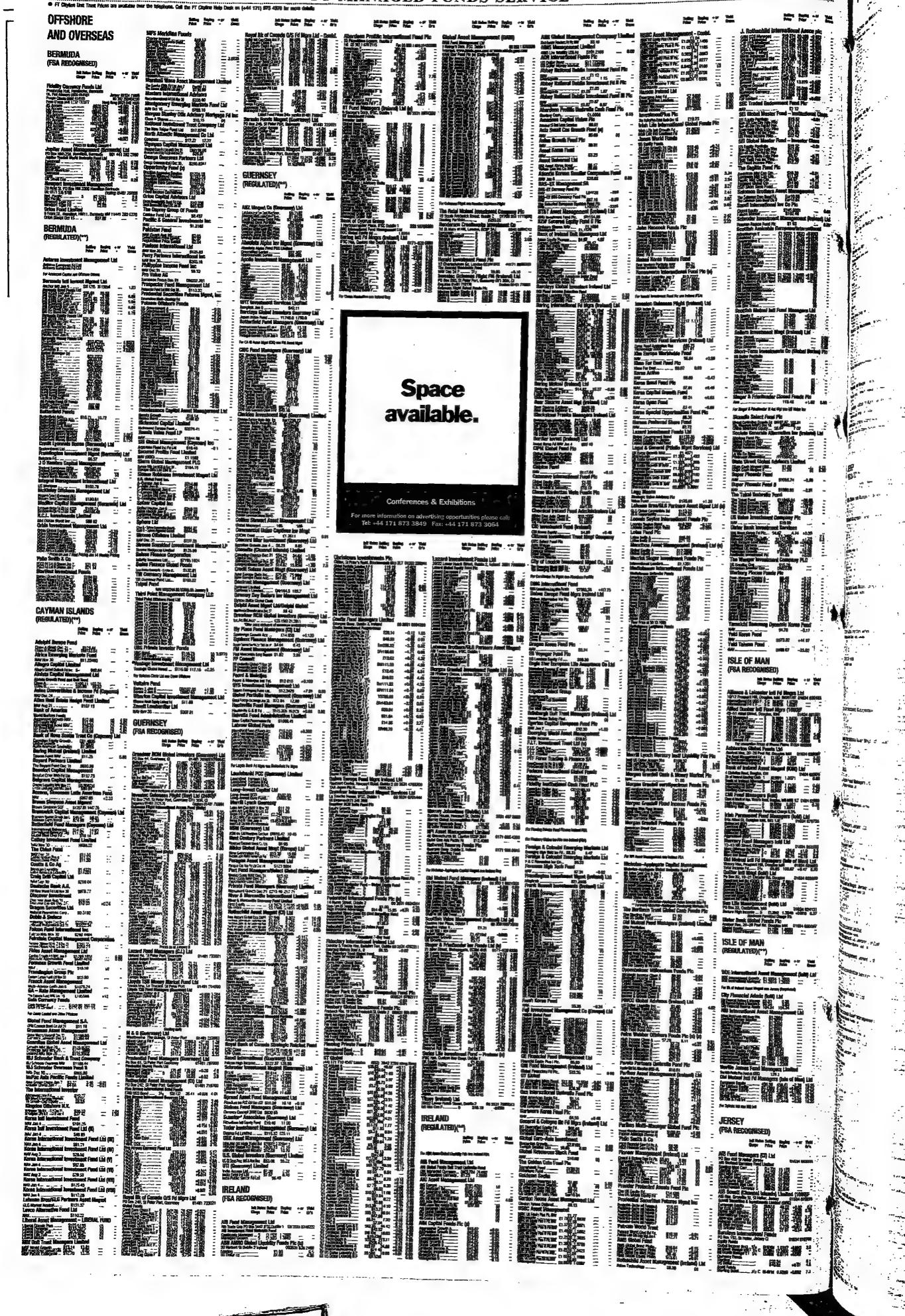
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FINANCIAL TIMES WEEKEND JANUARY 9/JANUARY 10 1999

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#### LONDON STOCK EXCHANGE

# Takeover talk pushes Footsie to record high

MARKETS REPORT

by Steve Thompson, LIK Stock Market Editor

intense speculation that another big takeover or merger is imminent in the telecoms sector, plus more bid activity in breweries, gave a further boost to sentiment in UK equities.

London's benchmark index, the rumours, which were mainly focused on Cable & Wireless. swirled round the market.

The index powered ahead to a record intra-day level of 6,195.6, as many months, also triggered

off its best levels during the last UK institutions. But some of the FTSE 250 advancing 29.7 to candidates, post the launch of the hour of trading, eventually closmarket's takeover euphoria 4.976.4 to leave the middap up euro. And overseas institutions ing 46.0 ahead at 6,147.2.

and other European markets, to 264.6 points, or 4.5 per cent.

ahead before the C & W speculation built up to fever pitch, with Wall Street's overnight recovery FTSE 100, raced through its pre- from an early sell-off prompting a vious intra-day record as the bid fresh wave of overseas buying interest in UK stocks.

Thursday's surprise 25 basis points reduction in domestic interest rates, the fourth cut in

tended to die down later in the That extended the rise over the session, with Cable & Wireless week, which has seen an influx shares well off their best levels of overseas money into London and many telecoms specialists adopting a sceptical view of the earlier stories that Deutsche London was already surging Telekom might be preparing a bid. Nevertheless Cable & Wire-

less was still the best Footsie performer and Orange and Telewest were also aggressively bought. looking for at least one big bid or pean stocks, including UK issues.

merger in the short to medium

121.7 or 2.5 per cent on the week. are tending to disregard the wor-The FTSE Smallcap index was up ries about earnines downgrades a further 14.2 at 2,133.8, a rise on and profits warnings." the week of 3 per cent.

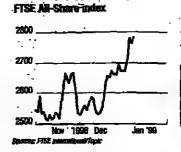
been taken by surprise by the sudden burst of buying interest for UK equities at the start of the new year and attributed much of 8 per cent. the buying interest to the successful launch of the euro, which used with the brewery sector see- FISE Al Nevertheless, many dealers they said had encouraged a surge ing a rarely-used strategy, FISE A

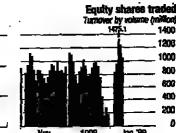
"It has become increasingly clear that the US funds are keen The junior FTSE indices shared to buy London stocks which they

Nevertheless, RMC, one of the Marketmakers said they had UK's biggest building materials companies, upset the market with a profits warning yesterday and saw its shares tumble almost

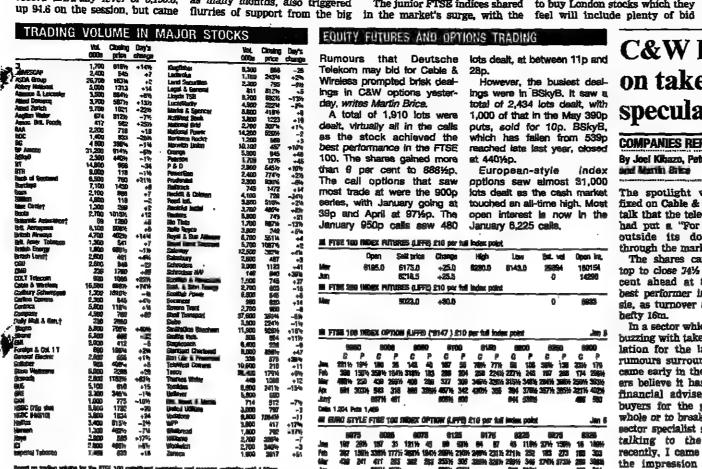
But the takeover stories continsaid the London market was of international demand for Euro- invoked by Marston Thompson, which turned the tables on Wolverhampton & Dudley Breweries by launching a counter-bid.

Turnover reached 1.06bn





FISE paradigual/Topic			1000 12.00
s and ratios			FTSE 100 Index
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50	2880.7	+20.9	Change over week+264
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i-Share yield	2.81	2.82	Jan 66148
	3663.1	+30.5	Jan 55958
on-Fins p/e	24.13	23,95	Jan 45879
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ilit ylekt	4,40	4.28	LOW
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FTSE Actuaries Share Indices

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#### Rumours that Deutsche lots dealt, at between 11p and Telekom may bld for Cable & 28p. Wireless prompted brisk deal-Ings in C&W options yester-

day, writes Martin Brice. A total of 1,910 lots were 1,000 of that in the May 390p dealt, virtually all in the calls as the stock achieved the best performance in the FTSE reached late 100. The shares gained more at 440½p. than 9 per cent to 8881/2p.

The call options that saw most trade at were the 900p series, with January going at touched an all-time high. Most 39p and April at 97%p. The open interest is now in the January 950p calls saw 480 January 6,225 calls.

However, the busiest dealings were in BSkyB. It saw a total of 2,434 lots dealt, with

puts, sold for 10p. BSkyB, which has fallen from 539p reached late last year, closed European-style index options saw almost 31,000 lots dealt as the cash market

	Open	Self price	Change	High	1.000	Bat. Vol	Open int.
	8195.0	6175.0	+25.0	\$280.0	6143.0	20894	180154
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The UK Series

## on takeover speculation

**COMPANIES REPORT** By Joel Kibazo, Peter John and Marrin Street

The spotlight was firmly fixed on Cable & Wireless as talk that the telecoms group had put a "For Sale" sign outside its door spread through the market,

The shares came off the top to close 74% or 9.15 per cent ahead at \$88%p, the best performer in the Footsie, as turnover soured to a

beffy 16m. In a sector which has been buzzing with takeover speculation for the last month, rumours surrounding C&W came early in the day. Dealers believe it has appointed financial advisers to seek buyers for the group as a whole or to break it up. One sector specialist said: "After talking to the company recently, I came away with

the impression the board will consider all options." Analysts said the resignation of chief executive Dick be more than one and a half Brown in December and the lack of clear leadership at if accounting benefits are to the company has made it more vulnerable to a bid approach and increased the

chances of a break-up. to have been appointed as companies were within a adviser to arrange a sale or whisker of that ratio. Glazo est broker to take a dim disposals although the name of ING Barings was also mentioned in the same role.

Much of the initial talk surrounding the possible suitor centred on German giant Deutsche Telekom but attention later shifted to Bell Atlantic, the US group which last week proposed a marger with US wireless carrier AirTouch.

Chris Godsmark derson Crosthwaite believes a sale or break-up "could be to realise shareholder value, given the current search for a chief executive".

FT 30

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Although dealers spoke of a takeout price of about £11, James McCafferty at SG Securities said: "Breaking up the business into its components would reveal a valua-

tion of up to £13." Specialists pointed out any bid would have to reflect the value of the group's global assets. Apart from its 54 per cent stake in Hongkong Telecom, C&W owns a controlling stake in Cable & Wireless Communications, a share in mobile phone com-

net assets previously owned by MCI Worldcom, CWC was also in demand, the shares

#### SmithKline record

closing 27% up at 699%p.

SmithKline Beechure bit # new closing high yesterday, consolidating a week that has taken the pharmaceutical stock up 10 per cent.

The rise, on heavy turnover, has been prompted partly by speculation that a merger with Glaxo Wellcome could be on the cards. Under 60:40 merger regulations, one company cannot

times bigger than the other be achieved. Otherwise companies would have to write off goodwill. And in Smith-Kline's case, that amounts to BT Alex Brown was said £45bn. At the close, the two was 61.5 per cent of the com- view of the sub sector.

MAIN MO	VER	S	
FTSE 350	Close price	Day's change	
Ritien Borning REXAM  LEAN TO THE PROPERTY OF	100 182 688½ 523½ 567½ 780 94% 678	+9 +16 +74% +43% +45 +64 +646 +3894	+9.6 +9.7 +8.6 +8.6 +7.7 +7.4
FALLS  FAMIC  FECTIVE COMPRIMENTS  Tomitins  Marys  Regis  Regis	880) 3597/ 2411/ 4931/ 720 125 228 695	-24% -15% -31% -34% -5% -9 -25	-7.8 -84 -81 -60 -1.6 -1.2 -3.8 -3.7

pany One2One, and the bined valuation and Smith-recently acquired US inter- Kline 38.5 per cent. Kline 38.5 per cent. SmithKline,

> on February 16, said yestercompany with a strong pipeline. It is also supported by the strong performance of equities in the US, where 27 per cent of SmithKline's shares are held,

> Yesterday, SmithKline rose 16% to 928%p on turnover of 11m shares. Glaxo, which received Chinese regulatory approval for its lamivudina treatment for hepatitis B, gained 28 to £22.88. A profit warning from RMC knocked the shares almost 8 per cent or 59 to 693p after the construction

group highlighted troubles in Germany. The shares reached £14 last year. Pressure on the mortgage lenders intensified as West LB Panmura became the lat-

RISES AND F	ALLS					
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ryican	218	103	257	870	590	1,274
ities	17	17	14	100	81	65
Tencisia	135	66	182	725	307	874
PERSONAL TITUES	312	48	216	1,581	279	1.023
hera	83	41	349	356	221	1,280
izin	1,109	504	1,370	5,363	2,754	8,779

Analyst David Poutney was pointing out to clients that while the retail banks were on a multiple of 14 times earnings, the mortgage banks - which are expected to face intense competition over the coming months - were on a prospective p/e of 16.

The negative noises on Halifax and Woolwich follow cautious comments by Credit Lyonnais Securities on Thursday. Halifax fell 21/2 to 815' p with Salomon Smith Barney also highlighting the valuation in its latest sector review. Woolwich

slipped 3 to 340%p. Lasmo, the oil exploration which and production company, announces full-year figures railled 6% to 94%p as the company went on the offenday it was determined to give against persistent specremain as an independent ulation that it needs to raise

capital in the market. It has been tested by its exposure to the seemingly releatless slide in underlying oil prices. But it has been telling analysis and investors that it has £500m in cash reserves and is well

supported for the current financial year. The move by brewer Marston Thompson & Evershed to turn the tables on hostile

bidder Wolverhampton & Dudley raised eyebrows. Marston opted for the littleused "Parman" defence in which a target turns on the bidder by making an offer. The name stems from a computer character. Wolves shares remained firmly below the bid price.

They closed up 72% at 510p in volume of just 980,000 shares while Marston gained 4 to 3021/p as 1.9m were traded. Marston shares fell to their lowest for several years before bid speculation had its effect last year. However, they are still below the 360p attained early in 1998. National Power was beavily traded after Merrill Lynch crossed 9.6m shares between well below the prevailing price. The stock closed 2

			Jan 8	ctgr <sup>2</sup> i	indek	Jan T	600	747% 1	AT C			悔	Reiner.	- 19	<b>.</b>	16	W		<u> </u>		<u> </u>
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		996 - 996 Ann. To	2895.5		3202.5	2874 9							1344.35	2972.2		2238.1	6/10/98	2572.3	207/96	1014	200.07
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		STANDERS THE	2133.75	46.7	2359.90								1685.84			1834.45	0/10/98	2792.73	28598	1363,79	
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		All-Shedia	2784.58	40.7	3079.82	2764.57	2421,15	2 51	240	1.94	22.57	Q.AR	204.7	2985.17	207/98	2166,07	5/10/98	2885.17	20/7/98	61,92	13/12/74
		All-Share at law Tr	2795.81	-0.7	3091.90	2775.74	2426.94	2.83	245	1,98 2	22.65	444	1221/0	2012	20/7/98	2174.83		2002.5	207/98	2172,42	4/6/97
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		All-Small	1211.81	+0.7	1340.24	1203.81	1329.09	3.92	321	1.88	16,94		1202.16	1211.81	8/1/99		23/11/98	1211.51	8/1/99		23/11/96
	FIS	If wid as Beeng-RA	1208.03	+0.7	1335.06	1189.74	1356.82	4.25	3.49	1.98	14,52	0.82	1373.23					1208.63	871/96		23/11/98
	FIS	AM	606.9	+0.2	692.4	805.5	889.4	1.32	1.05	0.00	0.001	0.18	750.52	1746,0	\$19.98	Tel J	141096	1148.9	84848	7612	14/70/98
Ь.		FTSE Actuaries Indust	ne Carr	iora								•									
•		LISE MOUNT INCOME	E Ste	Day's	Euro	C 3de	THE	Gross	Met 1	liet.	PIE :	(A) act	Total			<i>-</i>			Since Co.	والناو	
				Carlo	index	Ja 7	mgo	ykin y				Ytti	Reioza	-	an	يا		High		Lor	
	_			_	_		_			_		_	1041 77	E0720 201	13/5/95	3596.66	1/8/96	5202.56	2/10/97	Olio et	19/2/66
		RESOURCES(18)	4006.53	-0.9	4530.71	4133.41	4304.22	3.54	3.06	1.17	AU.13	0.00		3497.96				4768.29	7/5/96	1000.00	
		Extractive Industrius(S)	2608.07	-1.5	2884.49	2647.35	3334.54	200	4.02	1,50	24 84		2374.74		13/5/98	4133.09		5827.11	13/5/96	982.30	20/2/86
		Oil Integrated(3)	4824.00	-0.9	5335.28	40000.94	4/3/-03	4.00	281 1	(100 4	71 15	0.00			2/1/98			3985.34		650.30	28/7/86
	18	Oil Exploration & Prod(9)	1375.51		1521,29		_				_						_				
	20	CEN BIDUSTRIALS(192)	1774.62	-0.T	1962.70	1776.71	2000.35	4.77	3.86	2,74	13.58							2447.98 2125.60	22/5/98 16/7/87	986.10 538.30	9/9/92
		Communiting37)	1247.53		1379.75	1245.45	1307.83	4.09	3.32	3.02	10.12		1132.19			1139.35		2393.22	24/1/94	954.80	9/9/92
	35	bushing many	1530.55	-10	1582.76	1545.95	1/35.03	4.94	4.20	611 ] 100 -	14,29	9.00		2096-10 3165-53	1,698	1296.58	5/10/98	3165.53	15/5/98	979.50	14/1/86
		Chatalcals(30)	1784.41		1973,53	1/91.10	CD30-29	3.1U	4.60 ·	1.84	12 14	0.00		3102-33 1576-51		958.29		2231.57	2/2/94	950.29	10/9/98
	24	Creesuled industrials(4)	1125.72		1245.03	(107.90	2202.09	3.10	2 20 4	i ac	97,60 03,50			2913.88	7/7/98	2054.88		2313.9	7/7/98	986.90	29/9/88
			2796.51		2542,72	2300 OF	2773 57	410	3.76	290	13 37		1513.95			1854.19		3336.57	11/5/98	962.85	
		Engineering(54)	2299.05 3530.40	-441	3904.57	3085 1D	3489 53	2.53	2.33	123	15.26		1967.12				5/10/98	4622,19	26/5/98	995,60	14/1/86
		Proporting Vehicles(10)	3539.40 1509.54		1669.53	1474 61	2125.39	6.92	6.43	2.36	7.65					1295.37		3142.02	11/7/95	973,30	14/1/85
		Paper Pring & Pranting(18)						_	_	_			2615.27	A538.52	_	4727.70	M10/98	6538.52	8/1/99	957.50	14/1/86
		CONSUMER 60005(82)	6538 52		7201.51 4384.00	2202.51	20/1.17	2 12	1.00	17 1	19 07		1589.05			222.17	25/9/98	4249.61	20/7/98	967.50	14/1/88
		sampages and served desires.	3963 68		4394.00 4252,12	3701.85 C4 C585	335201	224	202 2	231 2	21.10					3952 81	5/10/98	4423.58	8/6/96	946.10	14/1/86
	33	Food Producers(20)	3844 64 2016 52	-30	2223 61	2077.59	3072.22	5.09	4.60 1	1.96	12.51	0.80	863.54	3784.44	24/4/98	2010.52	6/1/99	3784.44	24/4/98	927.10	21/1/86
		(Application Senson or 12 and	2489 00	410	2757 89	2453 34	2255.52	2.08	1.91 2	211 2	28.58	0.96	1607.46	2518.34		2069.98		2618.34	21/7/98	972.60	21/1/86
			2075.49	41.5	13355 321	1895.35	2530.52	1.46	1.35	UF :	$\mathbf{n}$		4361 491			7852.54		2675.49	841/89	953.70	13/1/86
			6844 19	+1.7	7569.58	6732.54	4868.81	5.02	419 2	2.04_1	12.21	0.60	1950.18	7157.28	7/12/98	4902.R2	34/98	7(52.28	7/12/98	992.00	9/1/86
			3678.72		4068.61							1.73	2047.59	3808,50	20/7/98	2789.94	B/10/98	3806.50	20/7/98	944.90	23/1/85
			1862.75	-03	2060.17	1867.72	2548,42	5.10	4.23 2	2.00 1	12.23	1.12		29 <b>98</b> _05		1645.17	510-38	<b>3319.33</b>	2/2/94	988.50	21/1/68
			3348.24	J2.7	3703.11	3258.78	3455.29	2.74	243 2	2,85 1	15.98	14.59		4195.54		2450.85		4195.54	9/6/98	975.40	21/1/66
		Mcdu47	4523.27	+1.2	5002,67	4468.51	4156.08	2.29	1.94 2	2,15 2	25.41			4909,94 3251,86	6/7/98	3490.83 2610.36	6/10/98 5/1/99	4900.94	20/7/98 6/7/98	976.20 917.48	9/1/86 21/1/86
		Hetaders Food/139	2809.17	+27	3106.90	2734 18	2/19.33	325	201 2	214	17.52		1937.40 1315.14		8/5/98	1908.67		2478.00	8/6/98	870.18	9/12/88
	45	Retaders, General(429	212243		2347.38 6586.19	2106 00	2334.90 7744 b4	1.61	124 1	205	22 10			F073.97	87.59	2735.24	12/1/98	8073.97		202.50	3/10/86
	46	Telecontributions(7)	5955.04	+0	4067 72	7555 1R	3588.R1	3.61	2.77 2	222 1	16.50			4441.58	9/6/98	3047.44	5/10/98	4441.58	9/6/98	962.00	14/1/86
	4	Fight Helb of a female of source in a	3677.91 4918.40	.47	5470 SR	ARRIO RG	3812.25	1.27	1.09 2	277 3	51.37	0.19	3259.98	5475.71	9/7/98	3356.33	8/19/98	5075J71	9/7/98	836.00	1/2/91
		Saft Ber iff ind . Abert	3475.81	-12	3844.20	3435.45	2939.54	3,01	2.54 2	210 1	9.76	0.78	1569.69	4127.07	17/7/26	2785.67	23/1/98	4127.St	17/7/96	960,00	14/1/86
4	-	) value de la			4661.39							0.08	2050.00	编集	されが	3518-37	2/1/96	4497.54	23/11/98	802.50	3/10/56
,		O (Mrt 1) stoleni	4214.70 4796.58	-0.2	5304,95	4904 55	405B.80	4.21	343 1	71 1	7.34	0.00	2865.37	4902,00	23/11/98	3951.36	2/1/98	4982.00)		\$95.36	7/1/91
ţ.			3382 59	0.3	7241 10	3397 18	2678.96	2.00	T.53	Ŧ	Ŧ	0.00	1971.72	370L15	27/11/98	2483.40		3701,15		994.90	9/12/96
		Water(11)	3386.18	-0.2	3745.07	3383 68	325.76	4.95	4,26 2	2.38 1	10 63				1/10/98			3814.45		924.70	1/5/90
			2835.50	+9.7	3136.03	2614.63	2438.82	275	237 1	1.89 2	4.13	0.53	2340.48	2532,38	20/7/98	2270.50	B/10/98	7932.39	207/98		13/12/74
	-	PAGIT I INC.		-05	E024 46	5221 30	4799.71	3.07	2.56 2	216 1	18.83	0.12	2512.82	8070.57		3725,79	5/10/98	6970-57	144/98	972.20	23/1/86
		e himmanness and	5365,44 8011 85	.0.6	6864 (0)	7967 15	6959 ST	3.20	<b></b> 2	27 <b>4</b> 7	18-23		2840 41			5205.68	5/10/98	B933.42	14498	950,BO	23/1/86
		Defined: 1M Print or 1			ATMA ET	2420 17	2701 RR	291	2.73 1	1.901 2	<i>(</i> 2.3)		2050.48			1675.02		2692	94/98	870.90	25/8/92
		Broff Territ			mann no	7004 E7	חד תוכם	251	7173	270 1	1X 60-		3440.78			5738.27 2733.18		7713. <b>89</b> 5215.06	19/3/98	967.70 856.30	23/1/86
		Life Asserbace(8) Other Finghose(31)	3767.53	- 77	39 22PL	30A. GI	राष्ट्रप	2363	243 2	اندع	10.02					1621.13		2431.05	19/3/98	718.40	1/10/90 16/9/92
		Paperhols)	1763 74	-0.1	1950.67	1766.03	2100.96	3.25	302 1	HDU A	202	_	1175A2								
			3727 91	+1.2	4122.02	3684 50	3420,55	2.35	1.85 1	1.15 4	18.53	7.03	1371.35	4118.22	_	2806.22	5/10/98	4118.22	26/5/88	977.20	14/1/86
		MACO INCOME.			20,20,02	3754 57	2421 15	2.R1	2.40 1	1.94 2	22.87			2885,17		2166,07		2885.17	20/7/98		3/12/74
	104		2754.68		3091.90	2775 74	2436.94	283	241 1	.96 2	255	0.48	1321.49	282.35	207/58	217453	5/10/98	4年235	20/7/98	यास्ट	4/5/97
	1,75	FISE AN Shore or him Th7201	-10301		1772 00	1596 TE	1043 04	0.50	0.47 4	21 5	90.54	0.00	1610.62	1882.97	20/7/98	990,57	8/10/98	1882.97	20/7/96	998.67	8/10/98
	011-111	namer Technology	1802.19	+10	1172 00	(marris															
		Hourly movements												42.00	_	t no	40-40		dah sa	1-	lder.
		HATELINGTON	9.0	3	18,0	0	11.00		12	.00		13.00		14,96		100	16.10	'	light tiery	404	day
						21	6143	2	61	40.4		6148	.2	6188.9		170.7	6138		6195.6		11.5
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		750		13.1 12.8		<b>9</b> 1	2886	.5	26	<b>85.</b> 6		2888		2905.1		598.1	2883		2907.9		73.4
		350	2121		2724		2126.5			8-6		2130		2131.33		33.25	2133		2133.88 2802.22		18.93 18.90
		Sealth and the sealth	2765		2792		2782.2		278	1 47		2784,6	45	2799.60	u	<b>93.33</b>	2781.5		244.11	2,10	ALDIS
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	1404	of FTSE 100 High: 14:09:000 or FTSE AU-Share High: 14:09	COLOR D	HUHUN H																B	
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			* *		quity set	tion or a	7000	de	de W		<u> </u>	ily sec	ion or go	74P		1200	Electry #	and at a	1000		TORS.
	Equi		4 7250					31/12/	90 10	00.00	FIŞ	E Small	CSD & ex	in Tr	1/12/92	1353.70			ASS.	1/12/93	
		***	83 1000		l <u>ectricity</u> Valet			29/12/	<b>89 10</b>	200,00	FTS	E Fledgi	ing		227274	7000,00	NIX ME	100	100	07294	
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•			85 682 07 7747	SA F	TSF ALL-SI	erè		1040	62 1	00.00	FIS	E AW 3	A-4				Fise Alla Fise 380 a			12/5/97	
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	<b>grow</b>	; to rack one 777/1917. Walter Dut			tome Che	moes: Bri	uish Petra	itau i	<b>144</b> B	A ALIEC	(CD) (F)	13E 104	H SHEET	74 WILLIAM T			=				
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细胞	影響	2	器	地名	委	1974 M	践	Dyline		Jan	lby.	Ang	,	Mag	la						EKTY (S) Moondels ( rol & Energy, Preside				64 <u>0,</u>
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FINANCIAL TIM

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#### WORLD STOCK MARKETS

# Shares mixed after release of jobs report

AMERICAS

shares rose in early trading, but the broader market was more mixed following a \$451/2. stronger than expected labour report, writes John Labate in New York.

By early afternoon the Dow Jones Industrial Average had gained 54.59 to 9,592.35. The broader Standard & Poor's 500 index had stalled, however, falling 1.01 to 1,268.72.

Surging internet and telecoms prices continued to lift the Nasdaq composite index, which was 21.32 higher, a gain of nearly 1 per cent, to 2,347.41.

The morning release of the monthly employment report helped some stocks. Payrolls in December grew by 378,000, a much stronger return than analysts had expected, providing the latest evidence that fourth-quarter growth will be strong.

The unemployment rate fell to 4.8 per cent, and stocks rose despite the threat of higher interest rates which could accompany economic strength.

"It's not the economic cycle that is controlling the stock market, it's the mood cycle and the mood is to buy stocks," said Alfred Goldman, chief market strategist at A.G. Edwards in St Louis. Cyclical shares gave the

US blue chips and high-tech after reporting strong quarterly figures. International Paper climbed 6.9 per cent to

> Automotive shares continued higher as well, with General Motors up \$44 to \$82%. In telecoms, AT&T rose \$1% to \$84 after announcing a share buyback pro

Internet stocks surged in anticipation of upcoming earnings releases. Yahoo! which is expected to repor on Tuesday, climbed \$33 or 10 per cent to \$353. Broadcast.com shares

were halted after a morning rise of \$96\% to \$228\%. TORONTO pushed steadily higher in early trading on the back of positive news from the metals sectors and

a renewed rally for banks. Base metal prices showed signs of rallying, US industry leader Alcoa turned in strong fourth-quarter earnings and at home Alcan Aluminium was upgraded by Merrill Lynch,

As metals surged, the 300 composite index had risen 74.51 to 6,876.40 by the noon count. Inco jumped C\$1.85 or more than 10 per cent to C\$19.15 and Alcan rose C\$2.65 to C\$45.20. Golds, in contrast, were

mixed. Barrick shed 15 cents to C\$31.35. In banks, Royal Bank of Canada rose C\$1.15 Dow a boost, with Alu- to C\$81.70.

### São Paulo rallies after slide over debt setback

SAO PAULO, down more benchmark Bovespa index than 5 per cent on Thursday after a Brazilian state ran into debt difficulties, rallied on what brokers described as modest bargain hunting.

Traders felt the market had over-reacted to the news of a 90-day moratorium on payments due to the federal government by Minas Gerais, Brazil's third biggest

in early trading, Telebrás

was 27 higher at 6.982 at

MEXICO CITY also recovered in subdued trading, the IBC index adding 8.57 to ket heavyweight Telmez rose 30 centavos to 23.70

CARACAS pushed higher, aided by a better start for the broader Topix index of receipts recovered 0.1 per was up 121 cent to R\$92.30 and the at 4,648.89.

### Bank and steelmakers lead Frankfurt higher EUROPE German equities ended a €167.50 and Krupp €7.50 to

strong week in FRANKFURT with the Xetra Dax index adding 24.80 at 5,370.51 for a net gain over the five days of 7.2 per cent.

Dresdner Bank rose €2.30 to €42.70 as investors took up more 8 per cent to \$83% stock of news of the bank's plan to put DM25bn of nonbank share stakes into a separate company. Allianz added €10.50 at €349.50.

Krupp and Thyssen rose steeply after several brokers turned more positive on the

THE WEEK	'S CHANCE
	% chang
Paris	+7.6
Frankfurt	+7.2
Zurich,	+6.5
Milen	+6.2
Madrid	+5.2
Amsterdam	+3.9
Stockholm	. +20

steel sector. Merrill Lynch lifted its ratings for the two groups, due to complete a merger by early March, to "buy" from "accumulate". Salomon Smith Barney moved to "neutral" from

tor. Thyssen surged €8.00 to €125.50.

Deutsche Telekom, linked by speculation to a possible takeover bid for Cable & Wireless of the UK, fell €1.63 to €32.52. Mannesmann dipped €2.39 to €114.25.

PARIS ended 14.75 ahead at 4,245.42 on the CAC 40 index helped by a bounce for technology-related stocks and another strong session for LVMH. Cap Gemini rose €5 to

€157 and STMicroelectronics €3.50 to €78.50. LVMH stayed firmly in favour, racking up a three-day gain of more than 15 per cent with a rise of €7 to €212 as investors continued to warm to speculation about a takeover bid for Italian fashion house Gucci. Food group Danone was the day's loss-leader, slipping €17.20 or 7.1 per

AMSTERDAM ended 1.81 wer at 559.27 on the AEX index in spite of another strong showing for tech shares. Philips rose €2.45 to €65.65 and the fierce rally at Bean continued apace. The

shares fell €2.55 to €48.20.

shares, which stood at €49.33 in April, rose €1.25 to €12 for a gain this week of 38 per

Gucci, where rumours of an imminent takeover bid one of Finland's biggest resurfaced recently against a insurers, ended €2.30 or 6.4 background of stake-building per cent up at €38. by French luxury goods der LVMH, rose €3.40 to 661. News of strong sales in November and December also boosted sentiment.

Telecoms group KPN fell back on profit-taking and worries about toucher competition as a result of

tor across Europe. The the market. The general HELSINKI was lifted by insurance companies, which cent this week. prospered on news that

Skandia, Sweden's largest insurer, had increased its holding in Pohjola, the Finn-Nokia, the telecommunications group, also attracted

interest after it revealed it had won a \$280m deal to provide GSM digital mobile manufacturer Acerinox phone technology to China. The Hex index rose 121.15

or 2.0 per cent to 6,091.08. The index has risen 9.5 per cent since the start of the year. Skandia's announce-

Analysts said Nokia's announcement helped quell fears it was in danger of conceding ground in emerging markets to Ericsson, its Swedish rival. Nokia rose €3.90 or 3.4 per cent to €119.25. MADRID recovered from

#### ment, made after Thursday's close in Finland, sent Pohiol a's B shares €5.50 or 11.3 per cent higher to €54. Sampo,

said suggestions that the

government might revise the

budget had also unsettled

SYDNEY turned back from

Media giant News Corp led

the way down, sliding 48

cents or almost 4 per cent to

A\$10.52. Among financials,

AMP came off 51 cents at

Golds, up 1.8 per cent as a sector, bucked the downturn

after a better day for the bul-

A\$20.14

lion price.

record highs with the All Ordinaries index losing 41.0

or 1.4 per cent at 2,856.3.

index closed 1.06 down at 914.91. It has put on 5.4 per

stocks that failed to rise with the rest of the market 30.23 or 3.0 per cent up at in the days after the launch of trading in euros.

Aceralia, the steelmaker. rose €1.04 or 11.2 per cent to €10.44 while fellow steel

FTSE Actuaries Share Indices

OSLO surged to its highest close for more than four months as a rise in the oil Investors leant towards price helped offshore stocks. The Total index ended 1,032.12. The market has gained 10.5 per cent already this year. Fred Olsen Energy jumped NKr10.5 or 18.9 per cent to NKr66, helped by a broker's recommendation.

Markets	åndex	*	points	pross %	ytti	(Euro) €
FTSE Eurotop 300	1253.32	+0.56	+6.94	2.18	0.97	1290.61
FTSE Eurotop 100 FTSE Sideo 100	2909.02 1 <i>0</i> 66.63	+0.51	+0.03	2.21 1.95	0.18 0.00	1042.83 1082.70
FISE Eurobia	1186,30	+0.56	+6.63	2.83	0.08	1229.28
FTSE Eurobiid Diroc	1258.06	+0.0	+0.35	227	0.00	1284.68
FTSE Gurolitis Ex LIK	1273.51	+0.42	+5.33	2.14	0.00	1297.09
FISE Burntop 300 Region					0.00	
Eurobiod UK	13211.12 1142.43	-0.09 +1,36	-1.15 +15.31	1.91 2.66	0.00	1359.60 1199.72
Europe Ex-Eurobies	1106.2	+1.27	+14.90	2.48	0.15	1229.44
Europe Ex-UK	1316,74	+0.17	+2.22	1.95	0.00	1341.38
FISE Eurotop Industry Se	_	-				
RESOURCES	870.42	-0.06	-0.57	3.28	9.00	910.21
Mining Oil & Gas	731,54 843.41	0.89 0.03	-6.58 -0.29	4.70 3.23	0.00	746.99 863.83
BASIC UNDUSTRIES	1092,09	+0.30	+3.21	2.65	0.00	1115.32
Chemicals	BS1.53	+0.30	+2.55	2.63	0.00	366.56
Construction is the Manual Forestry & Paper	881,95	+0.44 -0.15	+4.20 -1.33	2.40 3.49	0.00 0.00	966.55 922.27
CONTRAL INDUSTRIALS	1132.55	+0.42	+4.69	251	0.00	1156.64
Aerospace & Defence	B53.96	+2.62	+21.78	1.85	0.00	865.75
Diversified Industrials	1049.01	-0.29	-3,07	1.91	0.00	1073.01
Electronic & Bect Equip	1006.99	+1.74	+17.17	1.80	0.60	1012.48 951.15
Engineering & Macroscy CYCLICAL CONS 6000S	1386.19	+1.34	+18.06	2.41	0.00	1403.78
Automobiles	1019.29	+1.07	+10.83	2.27	0.00	1028 74
lessonal floring & Tests	1239.18	+2.85	+35.95	3.18	0.00	1310.21
HON-CYC CONS GOODS	1297.15	+1.15	+14.81	T.40	0.00	1332.84
Beverages	989.96	+4.38	+41.51	2.68	0.00	1011.34
Pand Producers & Processi Health	1005.IM P43.20	+0.02	+0.19 +17.50	1.53 6.02	0.00	1017.48 957.31
Packaging	773.08	-0.82	-5.41	1.15	0.00	774.05
Personal Care & Hee Prede Pharmacoutleria	1130.65 1187.47	-1,88	-21.70 +17.83	0.85 1.06	0.00	1140.52 1193.92
Tobacco	1330.14	+1.52 +1,98	+25.87	3.56	0.00	1355.48
CYCLICAL SERVICES	1258.31	+1,18	+14.45	2.41	0.37	1283.47
Distributors	780.20	-1.16	-9.10	3.78	0.00	788.96
General Relations	1084.35	+0.63	+5.83	2.80	1.05	1107.84
Media & Pholography	800.52 1072.14	+4,12 +1,20	+34.05 +12.69	234 2.14	6.02 0.00	878.41 1083.59
KNIEL PUDE & Broweres	622.61	+4.88	+38.30	3.33	0.00	846.84
Support Services	1063.22	-0.57	-8.16	1.35	0.00	1094.71
Transport	935.09	+1.49	+12.93	2.63	0.00	852.33
NON-CYCLICAL SERVE	1328.22	-0.02	-0.34	1.51	0.00	1367.09
Food & Drug Retailers Telecommunications Serve	1079.02 1299.35	+1.73 -0.43	+18.40 -5.82	1.90 1.44	0.00	1095.49 1318.71
UTILITIES	1539.22	-0.25	-4.01	2.86	0.05	1632.46
Becklety	1186.99	-0.42	-5.06	2.66	0.02	1225.00
Bas Distribution	1250.33	-0.01	-0.11	1,50	0.00	1376.58
Wells	945-22	+0.41	+3.83	6.23	0.00	980.95
PHARCIALS	1363.37 922.04	+0.42	+5.54	2.42	0.00	1390.32
Banks Insurance	1087.29	+0.74	+6.78 -1.78	3,17 1,28	0.00	935,14 1100,41
Life Assurance	1242.11	+0.77	+9.54	1.55	0.00	1258.24
Imestment Companies Rast Estate	1039.37 869.60	-0.31 -0.30	-3.28 -2.02	1.62	00.0 00.0	1064.30
Speciality & Other Fin	900.33	-0.33	-2.98	3.56 2.49	0.00	667.00 915.36
INFORMATION TECH	931.35	+1.15	+10.63	1,11	0.00	93.56
Information Took Hardware	960.70	+0.66	+6.87	1.34	0.00	983.04
Softwere & Computer Serv	819.26	+2.46	+19.84	0.46	9.00	821.23
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#### Currency volatility hits Tokyo issues and 293 rising. Con-Rp300 at Rp2,400. Brokers

ASIA PACIFIC

Volatility in the currency markets sent shares in Tokyo down yesterday. writes Naoko Nakamae in Tokyo. The Nikkei 225 Average fell 1.07 per cent or 144.75 to 13,391.81 after trading between 13,507.06 and 13,328,34.

Other indices were also down, with the weighted Nikkel 300 index losing 1.25 per cent or 2.66 to 209.75 and

THE WEEK'S CHANGES

	% change
Bengkok	+12.0
Seoul	
Singapore	
Jakarta	+10.3
Menta	+ <del>8.</del> 7
Hong Kong	+8,7
Wellington	+4.6
Sydney	+1.5
Kuala Lumpur	
Tokyo	

international oil prices. At first-sector stocks 1.05 per midsession, the IBC index cent or 11.20 to 1,058.40. Volwas up 121.30 or 2.1 per cent ume was light at 359m shares, with 843 declining

8.5% Cum Ind Prel E1 - 138% (USJ889) 5° Amnoo PLC ADR (8\*) (Esch Cres mo & Ord \$0.50) - 84.625 (SODe88) .75 (SODe8 6 (DOUNT) JUNES (DOURS) TIES

cerns over the strengthening yen hurt many exporters' shares. Sony was down 1.69 per cent or Y130 at Y7,570. Honda Motor fell 4.15 per cent or Y180 to Y3,700. Toyota Motor lost 3.86 per cent or Y115 to Y2,850, Bridgestone dropped 2.96 per cent or Y70 to Y2,295 and TDK was down 6.19 per cent or Y620 at Y9.400.

The banking sector also lost ground amid fears that a strong currency would hit their foreign-currency denominated assets.

Sakura Bank, the second most heavily traded stock of the day, fell 2.72 per cent or Y7 to Y250, while Sumitomo Bank lost 1.6 per cent or Y18 to Y1.107 and the Industrial Bank of Japan dropped 4.1 per cent or Y22 to Y515. In Osaka, the OSE index fell 57.95 to 14,461.11.

BOMBAY continued to push steadily higher to extend its gains on the week to about 11 per cent. The BSE index rose 98.75 or 3 per cent to 3.397.84. A number of blue chips

scorched ahead. Telco, Reliance Industries and State Bank of India all jumped 7.9 per cent. Telco added Rs15.30 at Rs206.70. Reliance Rs10.30 at Rs140.30 and Bank of India Rs13.50 at Rs183.50.

JAKARTA, up more than lő per cent in the three days to Thursday, ran into profittaking which sent the composite index down 18.44 or 4 per cent at 439.49. Telkom gave up Rp250 to

Rp3,475 in 26.4m shares traded and Indah Kiat lost per cent to 962.4.

SOUTH AFRICA Johannesburg rose for the fourth session running with strong financials underginned by base rate cuts. The all share index rose 91.7 to 5,819.1 and industrials

1.3 per cent to 6,685.4 but the cials which rose 2.3 per cent to 9,384.4. Golds improved on the back of a better day for bullion. The sector added 1.7

### LONDON STOCK EXCHANGE - DEALINGS BOC Group PLC 12'-/s Line Ln 8th 2012/17 -1574 (DS.169) Booker PLC ADR (4:1) - 3.75 (OS.1689) Boots Cs PLC ADR (2:1) - 31.39 (OS.1689)

Details of Impiness done sloom below have been taken with consent from lest Thursday's Stock Exchange Official List and should not be reproduced without permit The data is delivered by Extal, part of Financial Times information.

those at which the business was done to the 24 hours up to 5.15pm on Thursday, they are not in business in the four provious days is given with the relevant date. The size of individual deals are

Stocks
Annuitiga 2 <sup>1,0</sup> 4 - 47 (04,1899)
UK Treasury Strips
UK Treesury Strp 07Jun1999Cpn - 97.55
757399 7862 (06Ja99) UK Treasury Step 07Dec1999Cpn - 95.22
439732 .48117 (06.la99)

(06.1499) UK Treesury Simp 07.Jun6002/Cpm - 86.79 The Treasury Step 07Dec2003Cpn - 84 15 (06Ja99)
UK Treasury Step 07Dec2003Cpn - 82.51
UK Treasury Step 07Jun9003Cpn - 82.51

69 35 (04 - 69 35 (04.1599) IK Trossury Surp 6°- (070;e20) (\$Principal -48 58189) (04.1639) IK Trossury Surp 8°- of Jun202) Principal -

UK Treasury Stop 6% 07Dec2028Principal -# 02 (DALSHI) Corporation and County

Subdestand (Bosough of) 114% Red St. 2008 - 151 (04/389) Foreign Stocks, Bonds, etc -Coupons Payable in London

lours PLC Sub Cav Bds 2004 £ (Br) (Reg S) - ET 021194 (05,699) BAA PLC 54"- Cru Bds 29:306 £ (8r) -Pt 34:502 mis-600

(Nat) (Br) - 137 Chubu Boctor Power Co Inc 51/s Nts 10/8399 (Nat) (Br) - 100.22 .34 (Ms.1939) Compacts Group PLC 5.75\*s Cov Bds 2007 E (1321 - 175\*s (Ms.1939) (var) - 1/37 (04.899) (expects insestment Bank 84% 8ds 2508/17 £ (Var) (8r) - 145.53125 (05.899)

13...11 rususes) houry Keystons ine Tet PLC 6.5° Bits 2023 (Regal - 118° (65.189) tural Spountscoon PLC 7.39160° Class

Namanal Western Sub No Pro - 155 (Usunes) Royal Bank of Septand PLC 644. Buts 1921/875 (06.1855) 1920/2014 (1921/1951 - 105.465 (05.1669) 1920/2014 (1921/1951 - 105.465) 1932/1955 (06.1859)

- 2 - 10 - 20

Programmes Sub Underted Intil - 114 (05/a69) redicted & Bingley Building Society Coll Fits Res Nts 02/2003 C (Reg) - 2102 (04/a69) 2 (04/a69) 1 (04/a69) iziomente Bullding Society Rig Rate Nia 999 Joy (Br) - 158 (06Je99) Iziomente Bullding Society 3 986, non am

Sterling Issues by Overseas Borrowers enk of Greece 10% Ln Str 2010 (Reg) -135 (OLLISS)

iuci (ESLESS) Lumpean Investment Bank Pb Ln Sik 2001 (Reg) - 1085 (PALESS) Lumpean Investment Bank 1095 Ln 801 INDA (En - 128, 738m) 158 (MLLARI) Inda (En - 128, 738m) 158 (MLLARI) Inda (En - 128, 738m) 158 (2015 - 174

Listed Companies

800 Group PLG 4.55% Gum 2nd Pri £1 - 87 9 (CSLING)
(CSLING)
Abboy Notional PLC 10445 Non-Cum Bitg Pri
Stic 27 - 158 (CSLING)
Abboy National PLC 6455 Non-Cum Bitg Pri
C1 - 134\* (CSLING)
Advance Group PLC 7-25 (Not) Ber 275 W Pri
Sta C1 - 98
Accounted Industries PLC 11 250 Cum Red Aggregate industries PLC 11 25p Cum Red Pri 2005 10p - 123% (06.1a99) 4% (06.la99)

A (06.les9)
Aggregate industries PLC 7.25p (Neg) Crw
Cum Red Pri 25p - 106 (06.les9)
Alriques PLC Sub Crw Res 2004 - 102 %
Dishami - 2007 | 12 di Alleed Dompics PLC ADR (1.1) - 9.4 (05.les9)
Alleed Dompics PLC ADR (1.1) - 9.4 (05.les9)
Allee PLC 5.5° Cor Cum Non-Vrg Red Pri E1
- 97 (05.les9)

(DEJSS9) Balley (C.H.) PLC Ser BrOrd 10p - 14

(06)e59) % (06.le99) Bardaya Bunk PLC 12% Uns Cap Ln Sik 2010 - 148 (06.le99) Bactays PLC ADR (41) - 94.5 (0) .75 (0) Bass PLC 87 Sha 95%p - 93 (1, 0, 1, 0) 3 (USJEEC) Base PLC ADR (1:1) - 14 (DSJEEC) Base PLC 10% Deb Se 2016 - 156%

(U6.8869) e Corp PLC 71% Cum Pri £1 - 85 BG PLC ADR (5.1) - 31.8114394 (50)

6 (200-88) J. (200-88) 7.8 (200-88) 7.8 (200-88) 7.8 (200-88) 5. (200-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.0000-88) 9.00000-88) 9.00000-88) 9.00000-88) 9.0000000-88) 9.000000000000000000000 rmor & Co of 8.376%

(29De96) .8359 (100) .85 (40, 15) .875 (29De98) .875 (29E e98) .875 (05Ja99) J. (10) 42 (40, 10) 9375 (29) 98) .9375 (05Je99 .02 (25) 125 (290e98) 125 (04Je99). (B) 32 (20) 35 (15) 36 (17) 375 (290 35 (25, 17) A (15) 5 (29De98) 5 (290e98) .625 (04.le99) .65 (50) 72 (12) 75 (04.le98) .75 (04.le98) .875 (04.le98) (D6.Ja99) .02 (30) .0625 (O6.Ja99) .0888 (35) .125 (12, 25, 20, 25, 50, 10) 1875 (10 .1875 (06Je99) 25 (38, 200) 25 (06Ja96 3125 (50) 375 (04)

(06.1699) .5 (06.1699) .625 (50, 25) .6876 [80, 25] 3 82 (04.169) CO PLC 8% Cum 1st Pri E1 - 114 (OS.Jaffe) BP Among PLC IPS Cum 2nd Pri 11 = 140 Blond & Bingley Building Society 115% grm Int Bearing She £10000 - 187

namen) ford & Bagley Building Society 13% em Int Besting Shs - 204 (04.1899) at International PLC 9% Cum Red Pri &1 -112 (05.898) and & WAE PLC PII 57 - 121's (06.898) 's

(06Ja99) 7 (06Ja99) 8 (98Ja99) 7 (06Ja99) itol & West PLC 139% Uns Perp Sob Bol 1955 (DSJable) & (DBJacon) ristoi Water PLC 84/5 Cum land Pri C1 -

152% (06.la99) ½ (06.la99) ½ (06.la99) letterna Building Socialy 13% Permi Int Bassing State (1000 - 2011 (06.la99) 2½ (04.la99) ½ (04.la99) 3 (06.la99) 3 (06.la99) 3 (06.la99) 3 (06.la99) 3 (06.la99) 3 (06.la99) 3 (16.la99) 3 (16.la9 Sing 2018/2019 1976 157 litting Deb Sin 1885h Land Co PLC 11976 151 litting Deb Sin 2019/24 - 154 (156.1899) Idishi Siny Broedcasting Group PLC ATIR (B.1) - 45.125 25 (104.1999) ned PLC ADR (10 1) - 16.25 (05.1499)

65 (DEJe89) 7 68 (15) .845 (52) \* 8.09 (56) 25 (17, 4) 5 (2) British Steel PLC 11 7 Deb St. 2016 - 163 (JOSEPH) nigh Sugar 10<sup>3</sup> P. Red Deb Six 2013 -161.09 (DEJase) 21 and Land 161.09 (DELiase) 21 (DELiase) A63 (DELiase) 463 (DELiase) DE (E) 164.625 (2) 5 (5) 5 (6) 64 (20) 6

n Estalo PLC 10%2. Isl Mity Dab Sax British Edit PLC 1045 151 may Deb Set 2012 - 148 (PALS99) Brunel Heldings PLC 4 59 (Not) Chr Cum Had Phi Sp - 54 ETR PLC ADR (+1) - 8.24 (05.059) ETR PLC ADR (+1) - 8.24 (05.059) 3 (0

9 (1954-190) ( (1964-190) (1 (1964-190) (1 ( (1964-190) (1 (1964-190) (1 (1964-190) (1 (05.1629) 3 (05.1629) 3 (05.1639) 3 (05.1639) 1 (05.1639) 3 (05.1639) 3 (05.1639) 9 (05.1639) 3 (05.1639) 1 (05.1639) 3 (05.1639) 3 (DELe99) & (DELe99) Budgens PLC 5% Cnv Uns Ln Sik 2003 - 107 (DA.1698)
Bulmer (H.P.) Hidgs PLC 84P+ 2nd Cum Pri
(1) - 13414 (Ca.1697) 5 (Da.1697) 5 (Ok.1697) 6 (06.la99) 6 (06.la9 er (H.P.) Hidgs PLC 9 2 . Cum Pai 21 -

h Castrol PLC ADR (2:1) - 29.07

ments PLC 15% Uns Ln St

naum (u) Sartion Communications PLC 5.5p (Nort) Cum. Criv Pri - 146 (054699) 51½ (054699) 4½ Saltic PLC 6% Criv Cum Pri 60p - 190 (05.le39) ISU PLC 84% Cam limit PH E1 - 1477

(06Ja99) 3'4 (06Ja99) (06Ja99) 1<sub>4</sub> (06Ja99) word Allence Hidgs Ld 71% Une Ln 81k

Coars Veyels, PLC 4 9% Cum Pri 51 - 80 (05,049) (05.le99) Josés Viyeliz FLC 5 Vis. Snr Chw Reis Josés Viyeliz FLC 5 Vis. Snr Chw Reis

enhans Retail PLC 71/5 Una Ln Sk 002207 - 104 (05.0299) enhams Retail PLC 7<sup>4</sup>7°s Una Ln Sili 19002/07 - 65 (08,649) 100 (08,164) 652 P.C. 4.2% Cum 1st Pri 21 - 93 (04,6

Deba P.C. 4,2°, Curn 1st Pri 21 · 32 (04.692) Dewhard Group P.C. 2,75°, Curn Pri 1 · 126 (05.649) 40 (05.699) 5 (05.699) Dewhard P.C. Ovd 10p · 58 (05.699) Degas P.C. ADR (4:1) · 44.626 (39) 5875 (10), 8125 (0), 5986 (05.699) 5 ; 125 (05.699) 3,734672 (22), 622475 (0), 82247889 (18), 623479 (50) 7648697 (0), 52247889 (18), 623479 (50) 7648697 (0), 52347899 (18), 623479 (50) 7648697 Deagon Of P.C. Wha to Sub for Ord (EPI-0.25 · 2) 2 (05.649) [50] 16,1999) Seastical Insurance Office PLC 8,625% In Cuth Irral Pd (1) + 131 (166,1819) 2

(CS.Rese) El Ciro Maring & Emploration Co PLC 19p -EMAP PLC New Ord 25g (No - 26/01/99) 195 (05.lags) 7 (5) 8 77. 0, 5, 13, 2, 1, 0) 9 (1 19, 0 23, 1) 9 (06.lags) 9 (06.lags) 9 3 (26. 0) 4 (0, 1) 5 (1 0, 6, 25) 5 (0, 1, 0 5. 3. 03 6 44. 0. 5. D. 68. 1. 23. D. 40. 31 7 17. 1. (18 (1) 9 (1, 0, 1, 0, 80, 10, 75) 10

200 Objects PLC Oat 20 (144A) - 260 1) 8 (4C) Feet Acces PLC Ord SEP0.25 • 947 (5, 1, 8) 8 (75) 9 (29) 50 (1, 6), 5, 1, 7, 8 (75), 1, 91 50, 11 2 (6) 50, 11 5 (3) Fedgrand & Resident Rep & Mor. Co. 175, Gat Pri Str. -57', 67', (05, 189) Pare Group PLC 10% Cum Pri F1 - 92

General Stating Co PLC ADR (1:1) - 9.62 (06.ls98)

als Group PLC 11 1% Dais Stk 2014 -161 (06.25) Grannels Group PLC 94% and time in 8tk -

ton PLC ADR (6:1) - 38,825 (05,1498)

27 (Reg) - 103 (DSJaRR) \(\bar{\chi}\) (DSJaRR) \(\bar{\chi}\) (DSJaRR) \(\bar{\chi}\) celand Group PLC Cov Cum Red Pri 90n -

die Fund 1815hs - p85

Kingfisher PLC ADR (2-1) - 21.89 (05.1889) Keemer PLC 6"Yn, Ure Ur Sit 2000/05 - 79 (04)289) MINIMAN PLC 10145 Unit Ln St. 2011/05 - 70 (05.1e39) Lamont Hidgs PLC 10% 3nd Cum Pri \$1 - 180 (06.1e39) 5 (06.1e39) Land Securities PLC 7% Cny Bds 36/9/2006

(C5,1399) esiis Wine Group PLC Ord 20p - 9 (55)

play PLC 15' She 11 5/7p - 10 (06.la.99) 19000004 - 85 (US.ASSV) MEPC PLC Non-Cum Red Pri 18' Sits 96p -87 (06Je99) 7 (06Je99) 7 (06Je99) 7 (06Je99) 7 MEPC PLC 8% Uns Ln Stk 2000/05 - 102%

(06.1e99) Inchant Retail Group PLC 845; Uns Ln Sti 99/2004 - 96 (06.1e99) 99/2004 - 98 (06.1399) krigan Sındali PLC 5 625% Crw Cum Red

ational Westmann 122 75 (06.1659) Westminster Bank PLC 97s Ser A Non-Cum Pri 21 - 1564 (06.kg9) (06,699) 4 (06,599) 47 (06,599) 4 (681963) 7, (681969) 7, (68196 master Barris PLC 124% Subord Urn Ly St. 2004 - 121 (05-10)

Bearing Shis £1000 - 200 (06.ln98) Northern Foods PLC 8<sup>3</sup>/5: Criv Sub Bits

Orange PLC ADR (8:1) - 69,73 (08.h66) 70.62 (10) 1.65 (4) 8.26 (1) 74747 (1) 6 (1) Sub for Ord - 28 ms PLC 10% Cum Pri 21 ėsajon, Zochomė PLC 10% ( 144% (08.1699) 5% (06.1696)

Peel Hidde PLC 5.25% (Net) Cnt/ Cum Non.V Pri E1 - 197.9 8 (05.ha99) Inningsian A Orient Steam New Co Tivili Cree Parkins Foods PLC Red Pri '6' She C1 - 81

Perkins Foods PLC Cray Red Pri 12-5p - 137 Peterds PLC 91/4 Core Pri E1 - 90 1 6 PowerGen PLC ADR (4.1) - 60.625 (2) .85 (5)

Premier Farmed PLC ADR (2:1) - 6:25 (10)

Pri) - 16 (04Je99) for Furnet PLC 69.2n Cum Cov Red Pd ing Coupon) - 10% (06Jalil) 1 (OR INDEX 1 (OR INDEX) Pref She Et (USS Cort) - 10% (06Je99) ME FLC 10.5% Com PV C1 - 155 Cusens Most Houses PLC 104%, 1st Mile

Des 88 2000 - 125 8 (01) 1890

SA 2012 - 134 (DE MEM Racel Electronics PLC ADR (2-1) - 12.94 (06Ja98) ecognition Systems Group PLC New Ord Sc (No - 25/01/98) - 31/2 (OSJa99) 1/2 (OSJa99) 2 Cum Red Pri £1 - 72 (05Ja99)

Queens Moat Houses PLC 12% 1st Mig Dab

tall Corp PLC 4.95% (limiy 6'4%) Cum 3rd Pri 21 - 95 (04,1699) REXAM PLC 'B' She 21 - 94 (0, 1, 0) 7 (0) 8

Rto Tinto PLC ADR (4:1) - 44.69 (04Ja69) Resort PLC 917% Cum Prf £1 - 150 (06.8e9 80 (06Je99) 75 Royal & Sun Aliance Ins Group PLC 7 We Cum limi Pri £1 - 131 6 (05.le99) % (06Ja99) + (06Ja99) + (06Ja99) h

(06.549) Royal Bank of Scotland Group PLC 11% Cum Pri £1 - 140 (05.la99) FOR COLD (24) Sainebury (J) PLC 8% ind Una Ln Six - 184 Sanctuary Group PLC Wite to Sub for Oct - 4 (06Je99) Scotlish Anien Investment Co Ld Ptg £0.01

(Glasgow Reg) - 113 (OS.1889) 5 (20) Scottish Media Group PLC 6.50% Cnv Uns Ln Stk 2007 - 118 9 (05Je99) Mag Deb Silv 2016 - 14712 (04Ja99 m River Crossing PLC 6% Indi Deb Stx 2012 - 157's (05.la99) 8% evern Trent PLC 18" She 38p - 31 (1, 0, 1, 0) Sheltesbury 8,5% 1st liby Deb 99, 31/3/24

138,24 (06,5m99)

Shaw (Arthur) & Co PLC Ord 0.1p • 1.375 (US.la99) Shell Trensport & Trading Co PLC Ord 25p (Br) - 350 (04J)<del>89)</del> Shell Transport & Trading Co PLC ADR (6.1) -35.625 (25, 17) .5873 (25) .75 (50, 15, 50) AG (133) \* .875 (06.1a99) .0363 (2) 6 (117, 15, 35) .08125 (1) .06129667 (3) .18629 (2) .186292 (5) .1862925 (4) .18629308

(13) .1862931 (9) .18629333 (9) .1862935

.49676162 (2) .49676326 (48) .69627677

Shoorite Group PLC Oct 50 - 15 (06.jege) & Sideur Group PLC 7'V% Une Ln Sik 2009/08 -Singapore Para Rubber Batatas PLC Ord So -

Stat Media PLC Ont 5p (No - 20/01/98) - 4: Sidoton Building Society 12%% Perm in Smirty Str. 21000 (Fac) - 216 (D4/000) 6

(OLMS) 74 (OLLS) II (OLMS) Sough Estates PLC 129% Uns Ln 80: 2009 -161½ (05.lm99) SmithiGine Beachem PLC ADR (5:1) - 74 (20) .0625 (4, 0) .25 (28, 1, 46) \* .375 (10) .5 (1,

(9) .375 (1, 15) Shr 63,750 - 25 (OU,659) Ni (M,660) PT Telecom A.S. GDR (Each Repr 1 Br 2120 C2(10) (144A) - \$18% > (0E)460

or Technology PLC Wis to Sub for Ord 201 4 (20) Table & Light PLC ADR (4:1) - 22.74 (DEJASS) Telewesi Communications PLC ADR (10:1)

Testo PLC 4% Una Deep Discount Lin Bajo 2006 - 93% (D6Je99) % (D6Je99) % (CELLECT) Thisdo Hotele PLG 79% 1st Mig Deb Bits 2022 - 125'v (05.bs99) Thiste Hotels PLC 10%% 1st Mig Dab Bak 2014 - 148<sup>1</sup>; (06Je99)

Those Estatos PLC Was to this for Ord - 1%

(06Je99) Toos Estates PLC 74% Ow Une Ln Sit 2010 - 102 (OCHOM) 2 (TISSHEE) & ENGLISE) 4 Unagate PLC ADR (1:1) - 7 42 (08,099) Unilever PLC ADR (4-1) - 44.58 .6

United Biscuits (Hidgs) PLC Red '6' 29-3p

24 (3, 1, 0, 1) 7 (9) Upton & Southern Hidge PLC Wite to Sub to Ord - 0.25 (96Ja99) Upton & Southern Hidgs PLC 5p (Gross) Cum.Cnv.Red.Pref.Shs.50p - 65 (04Jase locations Group PLC ADR (10-1) - 102-562 (10) .5625 (10) 825 (10) 825 06.le99) \* 73.41 (15) 5 (3) £875 (3) 4 (5) 126 (5) 25 (5, 6) 35 (3) 375 (63, 5, 10) 15) 5 (5, 1) .25 (5, 2, 4, 20, 2) .375 (20) .5 (5) 5512 (22) 58 (30) 81 (10) 89 (10) .75 (5) 6,0625 (12) ,375 (5) 7 (5) 75 (06Ja99) 825 (E. 1) .75 (ORJ499) 9 (DRJ499) .1875 (17) .5 (06.lis99) .625 (5) .74813 (100) 975 (10) 80 (06Ja99) 52 (20) 6537 (43) .8875 (4) 2 125 (10) .375 (18) 5 (1.7)

5.5 (30) £25 (20) 6.4 (5) Maker (Tromes) PLC Out to -21 Miles Parburg (S.G.) Group PLC 74% Cum Pri E1 -135.5 (06Ja99) WEW Group PLC 101/2% Cure Red Pri 1996502 21-81 (041-89)

eed PLC 114% Deb St. 2011 - 1575; Williams PLC 104% Cum Prf £1 - 169 Williams PLC Non Curr Criv Red Pri '8' 34p 30 (04Ja99) 2 (06Ja99) 2 (06Ja99) 2

DALES S NELSON 5 (DALES) 5 DALES

Wolverhampton & Dudley Breweries PLC 6% Cum Pri (Pig) Stk £1 - 90 (06Ja99) noton & Dudiny Basseries PLC 8.5% Data Str. 2019 - 111 & (20049) 24 2ENECA Group PLC ADR (1:11 - 46 .42 .7549

een High Income Trust PLC 7.1% Deb

Allement Trust PLC 45 Cum Pri A - 75 (06,5±99) orbiothy Toust St.C. North Trees Con Onv Uns Ln 86, 80p 2005 - 70

Bankers Inv Tot PLC 85, Data 9th 2003 Bin Oversons income & Growin Ld Inc 1p -117 (06.lagg) 7 (06.lagg) 7 (06.lagg) 20 (05,500) 20 (06,500) sees income & Growth Ld Pig Cap 1p - 23 (OC.500) 4 (OS.100) 5 (Oc.)(0) 00

Del. 53. 2022 - 137 (DUSS) British Employ Said & Gain Tot PLC 10%, Date Broadcase law Tiss PLC Was to But for Ord -

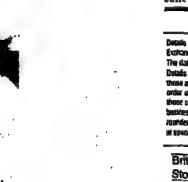
Caimponn B.S. Inv Tat PLC Uts (Compr 1 Wit 10 (06J<del>2</del>09) Deb Stk 2019 - 131% (06,5:98) Idinburgh by Tet PLC 11145 Deb Str 2014 164 > 108,b491 ourgh Smell Companies Trust PLC 7%

Deb Sox 2023 - 1321: (05Ja99) Edinburgh US TRACKER Trust PLC 3% (losly 5%) Cum Pri Stt. - 80 (08.1e99) English & Scottish Investors PLG 8.25% Deb 3025 - 1350 (DS 140) Flaming General Growth Inv Tet PLC Units

Monks Inv Tet PLC 69% Deb 8th 2023 - 117% Monks Inv Tel PLC 11% Deb 98: 2012 - 168 (04, 1499)Smoth American Inv Co PLC 8% Deb 8s 2022 - 134 (05,899) Scottish Eastern Inv Tat PLC 8.5% Deb Sit 2004 - 144 (CE.Mail) Shires Smeller Companies PLC Wis to Sub

en 1 hw Tet PLC inc 100 - 88's (06Ja99) # (06/1269) # (05/1269) 8 (05/1269) # (06Ja99) ½ (06Ja99) Yeoman II Inv Tst PLC Cap 1p - 5 € (08Ja99)

Market (05Je99)



British Government

LIK Treasury Seip 07.Lun2000Cpn - ibs.15amt 1 (ba.lust)
Wit Treasury Seip 07.Lun2001Cpn - ibs.13323 147057 23 (06.lus9)
Wit Treasury Step 07.Lun2001Cpn - ibs.1 188082 (06.lus9)
UK Treasury Step 07.Lun2001Cpn - if 7.5 (06.lus9)

(05,199)
UK Trossury Berp 07Dec2003Cpn = 81.36
(105,1699)
UK Trossury Step 8<sup>1</sup>- 07Dec3005Principal 4.24 (04.029) Trossury Step 7 14 07 Dec2006 Principal 4.28 (04.Je90) Treasury Sing 71-1 070-02007Principal

Liverpool Corp 2\*: Fied St. - 47 (04.Ja98) Notingfam Corp 3\*: Frd St. - 56 (05.ha98) Saltard (Caty off 7\*: Ln St. 25/1/2018 - 118

Pt 316792 (08Je99)
BAR PLC 52-4- Cirry Bds 2006 - 1.23
(06Je09) 1324 (08Je09) 22 (06Je09)
BOC Group PLC 6 751- Bds 184070- 5
(Var) Br) - 105 1 (08Je09)
British Arways PLC 10161- Bds 15/05/06 C

(USUBER) Proj. Activo PLC 11 75° a Sub Bits - 167 (OBJERS) i land Estates PLC 5Vr. Cor Bds 2008 E (Var) - 924 (06Ja99) 3 (00Ja99) Land Securities Finance (Jersey) Ld 6"-(jid Cav Box 2007 (Reg) - 109 (04Ja99) Uoyds Bark PLC 10"4"- Sub La Sik 2008 -

(04,1499) donal Westminster Bank PLC 11 2° Und Sub Atts (Criv to Prif (Br) - 755 (08,1499) Bonal Westvarster Bank, PLC 11° 2° Und

Debt Issuance

investments (Notherlands) BV 7.528% No. 240807 - 1074 (OS.1659) Microside Rr. Adv.

api (Br) - 156 (06.1699) Denmark (Kingdom of) 18% Lri 8k 2006 -142 (05.689)

(106.le99) eizrei (Republic of) 14 1/4 Ln 84 2016 -Set 2015 (Reg) • 153 (05.le99) 3 (05.le99) loin (Kingdom of) 11<sup>2</sup>/s Ln Sid 2010 (Reg) • 184 (05.le99)

(excluding investment 100 Group PLC 3.16% Cum Pri E1 - 81% 5%

Amer PLC Car See Sep - 49 (3, 43)
Anglian Victor PLC Str See Sep - 49 (3, 43)
Anglian Victor PLC Str Se Index-Leid Ln See
2000 - 164 (66.200)
Aradia Group PLC Sta Units Ln See 96/2001 90 (05.129) 8 (05.120) (1 (05.1209)
Astoc (8ar) PLC Drd 10p - 84 (04.1209)
BAR PLC ADR (1.1) - 11.27 (05.1259)
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B DELENY & COLLEGE 7 (OLIGH) 7 (O6J899) 7 (O6J899) 8 (O6J899) 9 (O6J899) 9 (06.1=00) men II Inv Tet PLC Equity Units (Comp 1 inc & 1 Cap) - 98 (06Ja99) 1/2 (06Ja99) 1/4 Yeaman II law Tat PLC Lei Vin Zero Div Pri (08,1499) % (08,1499) % (08,1499) % (DELEST) > (DELEST) > (DELEST) 7 (06)±99) 7 (08,1±89) % (06,1±90) Alternative Investment

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# Wembley rebuffs £228m bid from Enic

Enic, the sports and entertainment group, yesterday showed no sign of giving up its quest to take over Wembley after its approach was narrowly rejected by the leisure company's board.

The group, founded by billionaire financier Joe Lewis. confirmed that it had made a £229m cash-and-shares offer to Wembley's board, and outlined its support for the

the heart of England's bid to host the 2006 World Cup.

In a brief statement released after the stock market closed, Enic said it had offered 412%p a share, comprising 200p cash and the balance in shares. Yesterday. Wembley shares closed

down 16p at 351½p. Enic said its bid enjoyed the support of Wembley's three non-executive directors - Jarvis Astaire, a promoter, Wembley stadium recon- Peter Mead, chairman of

Mead Vickers, and Roger and the Olympic Games. Brooke, chairman of venture capital group Candover.

Enic's offer was prompted by the failure of the three non-executives to block Wembley's plan to sell the 75 year-old stadium to the English National Stadium Trust for £103m.

That deal is intended to per cent of the shares. pave the way for the £250mplus redevelopment of the advisers, the shareholders stadium into a modern, would rather have the 80.000-seat sports arena capa-

struction plan which lies at advertising agency Abbott ble of hosting the World Cup stadium than a combination offering was worth more to

Wembley's management hopes to sign the contract on the sale of the stadium in the next few days, and claims to have the support of Phillips & Drew Fund Management and Schroder Investment Management, which between them own 37

According to Wembley's money from the sale of the

of cash and equity from a shareholders than anything

They also believe the offer price undervalues Wembley's highly profitable US greyhound track and

Yesterday Enic pointed out its 412%p offer represented a 43 per cent premium to Wembley's closing share price on the day before takeover speculation began, and that the 200p cash it was

they could receive from the £103m stadium sale.

Although Wembley management appears committed to selling the stadium, it would consider a higher Last night Enic would not

return with an improved Enic controls or owns

say whether it intended to

stakes in five European foot-

## ICI still hoping to find purchasers for its tioxide division

A stalled disposal programme leaves interest cover exposed, but analysts reckon it is manageable for now, writes Virginia Marsh

rill Lynch, says prices may

Industries' deals to sell its titanium dioxide businesses this week was the latest in a series of blows for the company. But in spite of the setback, analysts believe middle of last year. Robyn ICI may still be able to dis- Coombs, an analyst at Merpose of the businesses for close to £598m, the sum it fall off this year but, at preswould have realised from its deals with DuPont and NL about DM4,000 a tonne.

Shares in ICI, which is attempting to transform businesses they had been itself from a bulk chemicals producer into a highermargin speciality chemicals business, have slumped in recent months as pressure has mounted to cut its £4bn debt with disposals. The shares closed yesterday at 468% p. down 52% p on the week but up 512p on the day, compared with more than

£12 last May. in the case of tloxide, however, the delay in clinching a sale has coincided with an improvement in the division's performance. Since ICI agreed the sale of its European tloxide operations to DuPont for £455m in mid-1997, prices for tioxide have

Analysts estimate the formerly lossmaking business will contribute operating

Treasury Stock 2003-2005.

Debt

Office

Management

the unexpected collapse profits of more than £70m to will have lost £15m-£20m in of Imperial Chemical ICTs 1998 results, due next 1998 and will be £30m-£40m month. Prices for tioxide - a white pigment used in paint - have risen from a trough of about DM3,000 a tonne in late 1996 to DM4,125 in the

> ent, they are still high at Analysts say DuPont and NL may yet buy parts of the due to buy before US regulators blocked their original deals - NL had hoped to take over the North American tloxide operations for

The other deal to collapse on Monday - the sale to DuPont of a share in a lossmaking PTA plant in Pakistan - is smaller, but more problematic. The plant. which became operational in the third quarter of last year, was commissioned at a time when PTA - the raw material for polyester fabric and plastic – was seen as a growth area. But too much capacity has been built and

\$250m (£149m) under an

agreement announced last

prices have alumped. Dresdner Kleinwort Benson estimates the business

THE UNITED KINGDOM DEBT MANAGEMENT OFFICE ("DMO") has

announced today that holders of 121/2% Treasury Stock 2003-2005 may

convert ail or part of their holdings into 61/1/18 Treasury Stock 2003 at the rate

All holders of 121/2% Treasury Stock 2003-2005 will receive a conversion

notice and a conversion form in the next few days which set out the detailed

terms of the offer together with the action required to be taken to assent to the

conversion offer. For holders on the Bank of England Register and on the

Bank of Ireland, Belfast Register, completed conversion forms must be

received by 12.30 pm on Thursday, 28 January 1999. Separate acceptance

Holders who do not wish to convert any part of their holdings need do nothing.

Stockholders uncertain as to the best course to follow should consult their

Further information on this conversion offer may be obtained from the following

stockbroker, solicitor or accountant or other professional adviser.

arrangements apply to members of the CGO Service.

OFFER OF CONVERSION TO HOLDERS OF

121/2% TREASURY STOCK 2003-2005

TO CONVERT INTO

61/2% TREASURY STOCK 2003

seury Stock 2003 per £100 pominal of 1215%

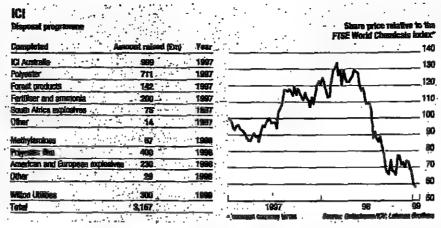
in the red this year. In addition, it lumbers ICI with an extra £240m in high-interest debt. This, combined with the losses, will offset the profits from tioxide. Monday's announcements

followed October's collaps of the disposal of Crosfield. The sale of the Warringtonbased business to WR Grace of the US for \$455m was also simed at reducing debt and restoring interest cover now thought to be an uncomfortable 1.7 times. Grace cited problems with US regulators, but was widely seen to have found a convenient exit to a deal that looked expensive six

It appears that ICI - which is thought to have an in-house team of 40 working on disposals - may keep Crosfield, now valued at less than \$400m by Lehman, in the short-term. A fifth of the 1,000 job cuts it announced as part of a £120m restructuring this week are to be made at the former Unilever

months after it was agreed.

As for industrial chemicals, the largest of the other businesses up for sale, there has been a resounding silence. In contrast to tlox-



ide, the performance of the cyclical industrial chemicals business, most of which is UK-based, has deteriorated sharply in the wake of the Asian crisis, the strong pound and the decline in UK anufacturing. Factors such as Asia have also taken their toll on potential buyers of the businesses such as BASF of Germany, DSM of the Netherlands and Dow Chem-

From making operating profits of £391m in 1995, the division - which ICI has been trying to sell since it bought the Unilever speciality chamicals operations for £4.7bn in mid-1997 -- is expec-

Marston

launches

By David Blackwell

counter-bid

more than 240m last year. Analysts put industrial chemicals' value at anything from £500m to £1bn. But even if ICI were to find buyers both for this division and for tioxide, it would still be

well short of the £85n that

Merrill Lynch estimates it

needs to restore interest

cover to five or six times. Interest cover at this level would give it the financial firepower to expand its new speciality chemicals core, a consolidating sector rich in interesting potential acquisi-

With disposals failing to ings, both divisions previ- possis.

ously considered central to the new ICL It looks increase ingly likely that ICI will have to dispose of at least parts of one or both bust nesses to reduce its debt. While the debt is huge for

company expected to report 1996 pre-tax profits of some £315m (£518m) before exceptionals, analysts say it is manageable for the time

But although ICI has said it will maintain its 1998 dividend at 32p - a level at which it will be barely cov-

## ered by earnings - the consensus is it will eventually materialise, attention has have to cut the pay-out irre-turned to materials and cost-spective of progress on dis-

for Wolves

Marrioi Thompson Evershed yesterday revived the so-called Pac-man defence by launching a counter-bid against rival regional brewer Wolverhampton & Dudley.

The Pac-man defence -where a target company turns the tables on an unwanted predator and makes an offer for the bidder was last used in the UK 10

COLIN SEO. Marston's plan involves selling 1,150 pubs for £250m. shedding 340 jobs and clos-ing both the Wolves breweries, getting Bass to brew Wolves' beer under contract. It claims its proposals would generate annual savings of £24m - twice the amount Wolves has said could be

saved by merging the two. Shares in Wolverhampton & Dudley - which this week said it had won just 0.89 per cent of Marston - jumped 72 p to close at 510p yesterday, pushing the value of its cash and paper bid to £276m. Shares in Marston added

4p to 3021/2p. The group which would continue to brew its Pedigree brand at Burton - Is offering its shareholders a special dividend of 123p and Wolves holders a mix of 246p cash and two Marston shares. aluing its target at £334.5m. chief executive, said share-

Nick Letchet, Marston holders would have to choose between the proposals. Marston was offering "horizontal" integration, concentrating on the national Pedigree beer brand and Pitcher & Piano managed pubs, as opposed to Wolves' vision of a larger but still vertically integrated regional brewing group. He denied Marston's proposal was a ploy to get Wolves to increase its offer.

Wolves described Marston's move as "disintegration, downsizing and dilution". Rejecting the offer, David Miller, chairman, said Marston had "chosen to embark on an expensive and flawed counter-attack".

Analysts said there were merits in both approaches to industry consolidation. although one dismissed both companies as "pretty bad and two wrongs don't make a right".

Lex, Page 24

# Hozelock poised to go private

and pond equipment group, stressed yesterday that the looks set to join the list of proposed deal was not a emalier public compa quit the stock market, following an offer of 350p a share from Thistlehaven, a vehicle backed by CVC, the venture capitalist.

The offer price, which values the group at £85.1m, compares with vesterday's closing share price of 292%p, up 1%0.

David Hargreaves, chairman, said the group had performed well after floating in 1993, and the shares had reached a peak of 550p in May 1996. But two wet summers had left the performance flat. Leaving the Stock Exchange would relieve the group from short-term performance pressures, he said.

Last month, the shares rose sharply on news that David Codling, chief execu-

to take the company private. Hozelock, the garden hose However, Mr Hargreaves ent buy-out Mr Codling, whose father

set up the company in 1969, led the £24m management buy-out of Hoselock from Ropner, the conglomerate, in 1990, when he was backed by CVC Capital Partners and a syndicate of other venture capitalists Yesterday he said the group would be able to develop its business more easily in the private sector "rather than as a publicly traded small capitalisation

company". Hozelock, which has a dominant position in the UK market for watering systems, made pre-tax prof of \$4.74m on turnover of 253.9m in the year to Sep tember 26, down from profits of £9.81m in 1995-96. The group was advised by

Germany is one of RMC's

most important markets.

accounting for 28 per cent of

sales last year. Eastern Ger-

many accounts for about a

quarter of that. The group

last year invested some £70m

in acquisitions in the coun-

try, plus about £60m in capi-

JP Morgan, the broker, said:

look great, but if Germany

picks up at the end of 1999

the expansion there won't

look like such bad timing."

He expected trading in Ger-

many to remain difficult in

Peter Young, chief execu-

tive, said sales volumes in

by up to 25 per cent in the

0.016 (0.206)

1.831. (1.784)

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. MAins stock. WAtter exceptional credit.

0.7 2.4

(8.6 )

"In the short-term it doesn't

Mike Betts, an analyst at

tal expenditure.

the current half.

## RMC warns on German setback

Close Brothers.

By Charles Pretzlik

RMC, until recently Britain's biggest building materials business, yesterday warned its annual profits would be severely hit by difficulties in eastern Germany.

In its first ever such warning, RMC said profit before tax and exceptional items for 1998 was "not now expected to exceed £265m" - 10 per cent lower than a consensus forecast of about £295m. In 1997 RMC's pre-tax profit was £307.6m. It blamed

"a substantial decline in activity" in eastern Germany in the second half. The whole German business was hit by bad weather. The statement prompted

eastern Germany had fallen HSBC Securities to cut its 1998 forecast from £287m to £257m. It is expected to

reduce its 1999 forecast to about £285m (£320m). The shares dropped 59p to

Crown Eyeglass of ... 6 mills to Sept 27

RESULTS

second half. Prices for most of RMC's products had fallen in the region and margins there were 2 per cent lower.

5.02

6 mills to Sept 30 20.6

Lex, Page 24

(5.63 )

(20.5)

investors and analysts.

Analysts estimate that lamivudine, which is sold unde the brand name Epivir for HIV, could achieve additional sales of £250m-£300m as a hepatitis B treatment. About half of that could come from China. David Pilling

#### Abbey sells Irish Perm stake

Abbey National has sold its 9 per cent stake in Irish Permanent, the mortgage lender, at a profit of £60m. from takeover expired last October. But any such hopes were quashed by Irish Permanent's decision, confirmed

Abbey's director of corporate affairs, said yesterday.

Shares in Abbey closed yesterday at £13.13, up 14p. Irish Permanent closed up 30p in London at £10.20.

ELECTRONICS

Bowthorpe, the electronics group, said yesterday it was buying the industrial wireless testing division of Wireless Telecom Group of the US for \$19m (£11.5m). Telecommunications has become Bowthorpe's second biggest market after construction and is part of the group's move into faster growing businesses. Last year, Bowthorpe said it had a £150m war chest for acquisitions. Wireless Telecom's testing division makes products used by developers of cellular phones, moderns and radio transreceivers. The unit will add to Bowthorpe's existing wireless and satellite testing

In a separate move, Bowthorpe will sell to Wireless Telecom its non-core noise generation product lines for \$2,5m. Bowthorpe shares closed up 16p at 3571/2p. Lucy Smy

Total test

Allied Leisure in merger talks up a 24 per cent holding in fellow leisure operator **8y Charles Pretzlik** Waterfall Holdings, has also Allied Leisure, the ten-pin

bowling and restaurants group which also owns 34 Burger King franchises, is in prellminary merger talks with rival European Leisure.

Allied is understood to have suggested a nil-premium merger to European, which has interests including bars, discotheques, and snooker and pool halls. European has a market capitalisation of £25m and Allied is worth £30m.

The discussions are said to

be at an early stage. One analyst said: "There are going to be a lot of these sorts of conversations over the next couple of months. There has got to be some consolidation in the sector." Like many small leisure groups, Allied faces pressure from institutional shareholders to participate in industry rationalisation. Phillips & Drew Fund Management, which was at the centre of everal takeovers last year, holds a 19 per cent stake in

had informal merger talks with other rivals.

Allied is known to want to add a third division to its existing bowling and restaurant business. It nearly doubled pre-tax profits last year to \$4,39m on sales up 26 per cent to £48.9m. It has been expanding its Burger King side aggressively and aims to have 70 sites within five

L. Durch

and the second

JE STEAM

34 % 112-18

150

we strength a

European has repositioned itself, selling Maygay Machines, its amusement machine manufacturer, and expanding the Rileys American pool and snooker division. Last year sales fell from £89.1m to £75.4m and pre-tax profits from £7m to \$566,000. Analysts said combining the two groups could be complicated by potential differences over management structure. Allied is run by Neil Goulden, managing director, and European Leisure by Ian Rock, chief executive. Allied shares were unchanged at 25p yesterday. European, which has built European rose 11 p to 73 ap.

## P&D backs Siebe move for BTR

Phillips & Draw Fund Management, one of the largest investors in BTR, has decided to back the former conglomerate's all-share takeover by Siebe, the controls and automation group. P&D, with just over 10 per

cent of BTR, is now the second largest investor after Franklin Resources of the US, which has just under 11 per cent. Its support will bolster expectations that the deal will be approved by both engineers' shareholders, despite the dissatisfaction expressed by some

Capital, a US value investor which built up a I per cent stake in BTR following the announcement of Siebe's deal, is planning to vote

As expected, Highfields

Shareholders of both companies must vote on the deal on January 13. Allen Yurko. Siebe chief executive, said he was "quietly confident" of success, after talking to investors in both companies since Christman.

P&D said: "We will be voting in favour" of the offer, which values the combined companies at about £8.3bn.

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**NEWS DIGEST** 

**PHARMACEUTICALS** 

## **Glaxo Wellcome builds** £85m factory in China

iun duilding an £35m manufacturing plant in China following Chinese regulatory approval of lamivudine, its oral treatment for hepatitis B. The factory, at Suzhou in the Jiangsu province, near Shenghal, will produce lamivudine as well as antibiotics. China has the world's highest incidence of hepatitis B, a potentially fatal liver disease that affects 350m people

Although up to a tenth of China's population may be affected by hepatitis B, many in rural areas have little or no access to western medicine. Procedures governing state reimbursement for healthcare are being reviewed. Before Glaxo can launch lamivudine, which will be marketed as Heptodin, it needs a drug import parmit to supply its factory and to agree pricing with the Chinese authori-

Share Dealing

Abbey, which acquired the stake immediately following irish Permanent's flotation at the end of 1994, had been tipped to launch a bid for the company when its immunity last month, to merge with Irish Life, the insurer. However, Abbey said a takeover bid was never its inten-

tion. "This was always a trade investment", Nick Chaloner, Abbey bought its 8.15m shares at an average of 232p and

## **Bowthorpe buys Wireless unit**

حكدًا من الاحلّ

telephone numbers: Bank of England 01452 398080 Bank of Ireland, Belfast 01232 315989 7 January 1999 The United Kingdom Debt Management Office is an Executive Agency of HM Treasury FIDELITY ORIENT FUND B.P. 2174, L-1021 Luxe NOTICE OF EXTRAORDINARY GENERAL MEETING ven that as Extraordinary General Meraiog of Shareholders of Fidelay Oneut Fund Share (the "Company") egistered office of the Company in Luxembourg on January 19, 1999 at 11,00 a.m. to Sanader the following To appoint Fidelity Investments Laxembourg S.A. as the Liquidator and to determine the powers to be granted to the Liquidator and the Inquidation procedure.

 To fix the date of the second Starcholders' Meeting to bear the Report of the Liquidator and to appoint Process alerhouseCoupers. Leverthourg as Auditors to the Equidation of the Company. 4. To give the charg of the third Shareholders' Meeting to hear the Report of the Author and to resolve to close the Liunidation In order to deliberate valually on term I of the agencia, at least 50% of the shares issued trust be represented at the Moeting, and a deceased in favour of the Resolution must be approved by Shareholders holding at least 2/3 of the shares represented at the

Subject to the lumpations imposed by the Articles of Incorporation of the Company with regard to ownership of shares which construte in the aggregate noise than three percent (3%) of the outstanding shares, each share is catalled to one vote. A Shareholder may act at any Meeting of Shareholders by pray). By Order of the Board of Directors

Fidelity 2 3 Investments

...

COMPANIES & FINANCE

ENGINEERING/TELECOMMUNICATIONS SWITCH FROM TRADITIONAL ACTIVITIES SETS COURSE FOR 15% RETURN ON ASSETS BY 2000

# Strong telecoms lift Mannesmann 50%

lies in favor

Mannesmann, the German telecommunications and engineering group, yesterday predicted strong net profits for 1998 after reporting a 50 per cent increase in earnings on ordinary activities to

€1.3bn (\$1.52bn). Giving preliminary figures for last year, the Düsseldorfbased company said its telecoms business was once again the largest contributor to earnings. These operations generated about

three-quarters of Mannes- as the Arcor telecome busi- concentrates on tourism and Touch were successful. This accounted for most of its as 30 per cent. growth.

Mannesmann has successpast three years, divesting almost 40 businesses and moving aggressively into Germany's deregulated telephone market.

15 per cent by 2000, although Preussag, the former steel some individual units - such and coal group which now

mann's profit in 1997 and ness - are aiming for as high

According to Mannesmann, the group's overall fully switched from its tradi- return on assets has risen tional steel and engineering steadily in recent years, industries to telecoms in the from 8 per cent in 1996 and 10.3 per cent in 1997 to more than 13 per cent last year. Mannesmann's evolution

from heavy industry to advanced technology paral-The company's goal is to lels the path taken by other achieve a return on assets of German companies such as

Malone, it seems, is now

The rapid series of deals

happy to hold a unified

D2. Mannesmann's mobile phone network, in which AirTouch of the US has a 35 per cent stake, has proved especially strong and now has 6m subscribers. Air-Touch is the subject of rival takeover offers from Bell

the UK. Vodafone has a stake in E-Pius, a smaller German give details of its 1998 perforrival to D2, and some ana-

in turn could strengthen Mannesmann's market position, the analysts said.

Mannesmann, one of the Frankfurt stock market's top performers last year, said its mobile, fixed-line and other telecoms operations were largely responsible for a 14 Atiantic and the Vocasione of per cent rise in sales to

The company said it would mance, including the prolysts believe it would give up its holding if its bid for Air Deutsche Telekom, posed dividend, next month.

Europe's largest telecoms group, yesterday said the D1 mobile service rose 67 per cent last year, to almost 5.5m, writes Ralph Atkins in

The rise reflected strong growth in the German mobile market, encouraged by sweeping price cuts. although D1 still lies behind Mannesmann's 122 network.

Separately, E-Plus said vesterday it would cut prices by up to 72 per cent, starting

## Gucci revenues climb strongly

and Samer Islamder in Peris

company, ended a week of intense bid speculation yesterday by announcing a healthy 23 per cent increase in revenues during November and December against the same period of the previ-

ous year. on Wednesday when LVMH. Prada's holding is now valthe French luxury goods group controlled by Bernard Arnault, disclosed that it had secretly acquired more than 5 per cent of Gucci's shares. LVMH was expected to make a statement declaring its intentions towards Gucci yesterday, but delayed doing so until next week. Gucci's shares rose by

€3.5 to €61.0 in Amsterdam yesterday after the bullish trading statement. Yesterthe shares, worth €46.4 before LVMH's surprise announcement on Wednesday, have risen by more than 31 per cent in three Revenue in November and days, valuing Gucci at December rose to \$200.2m, €3.74bn (\$4.4bn). However, analysts say Mr Arnault might have to offer up to 66bn to win full control.

wily approach to acquisi-

significant minority investor. If so, he might seek to buy the 9.5 per cent of Gucci bought last summer by

Prada, a rival Italian fashion house. Prada had nursed a loss on the investment, for which it paid \$240m, when Gucci's shares weakened as the luxury market deteriorated. The bid rumours started After LVMH's intervention,

> ued at more than \$400m. LVMH's shares have also been buoyed by hopes of a Gucci bid. They gained €7.0 in Paris yesterday to close at €212, having opened at €187 on Wednesday.

Regardless of whether LVMH makes a bid, Gucci's prospects look brighter after yesterday's trading statement. Domenico De Sole, president, said the group had made "solid gains" in the US day's increase means that and Japan, and was "beginning to see signs of recovery" in Hong Kong and Hawaii, both badly affected by Asia's economic crisis.

compared with \$162.8m in the year-ago period. Gucci now expects to report net income of at least \$3 a share Mr Arnault, known for his on a diluted basis for the full year to January 31, accordtions, may prefer to influ-ing to Mr De Sole.

## Seagram job cuts

expected next week to finalise plans to merge its Universal Music operations in Europe, Asia and Latin America with those of Poly-Gram, the Dutch music group it has acquired for \$11bn.

The merger is likely to result in the loss of 3,000 iobs from Universal and PolyGram's combined worldwide workforce of 15,500, and to secure annual savings of

Some 2,000 of the job

losses will be in North Amer ica, where Seagram has Seagram, the Canadian already unveiled proposals entertainment group, is to restructure its music

operations.

Next week Seagram is to specify the new operating structure for all other regions, which is intended to attain annual cost savings of roughly \$170m by shedding some 1,000 employees.

Senior executives from Universal Music's subsidiaries outside North America will meet Edgar Bronfman Jr., Seagram's president, in Los Angeles to discuss the new structure for their

#### Share strength sidelines creativity at AT&T By Richard Waters in New York neering would have got in the way of the monumental Perhaps equally impor-tantly, Ma Bell's own powernetworks - and AT&T, John Malone, the great job AT&T faces of combining through its 1998 acquisition ful stock market perforfinancial engineer of the US the assorted acquisitions and of McCaw Cellular, remains mance since June has cable television industry, joint ventures it has reduced the need for finanthe biggest carrier in this appears to have changed his announced over the past cial creativity. Even Mr fast-growing market in the

should attract.

after the acquisition.

performance of his new

AT&T shares - just in case a

bit of financial tinkering is

303.45 465.47 304.57 336.34 105.96 113.92 516.98 555.97 72.31 119.48 179.92 221.79 513.95 505.01 303.93 163.93 93.55 108.21 192.23 216.04 192.23 216.04 195.61 107.91 184.47 221.91 184.47 221.91 185.47 221.91

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As the boss of TCI, the second-biggest US cable company, Mr Malone has local carrier, Vanguard, a acquired a deserved reputation for financial wheeling and dealing. The abstruse structure of his debt-laden enterprises, and his shuffling of assets between them.

cated investors. It came as no surprise. therefore, when some of that financial creativity rubbed off on to AT&T, the telecom-\$36bn for Mr Malone's com-

The merger was to be followed by the creation of dif- smaller cable operators. ferent classes of AT&T stock, the two companies said at the time. That was supposed to make it easier for the stock market to value the new group's operations Malone himself, and other investors, to hold shares that had more in common with the old TCI stock than with

Yesterday, to the surprise dropped that plan. Accord- ferent parts of the new ing to people close to the group - could have got in company, the financial engi-

Australia (78) ...

Bulgham (22) Broggli (32) Canada (117) Desmurk (34) Finland (23)

France (75)

Hong Kung, China (87) ... Indonesia (26) .... Internal (15) ....

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USA (816) ...

Pacific Basin (730) Euro-Pacific (1483)

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The state of the state of

Besides TCI, this has included buying Teleport, a AT&T stock. cellular company, and a hatched by Michael Armmunications and, yesterday, has befuddled even sophisti-

communications network strong, AT&T chairman, owned by IBM, while also together with aggressive setting up a global joint ven-ture with British Telecomcost-cutting, has cleared much of Wall Street's scepticism about his company's a series of partnerships with prospects. So far, most of the

'The financial engineering would have got in the way of the monumental job munications group which agreed last June to pay AT&T faces of combining its assorted. acquisitions and joint ventures'

AT&T's telecoms operations with TCI's cable networks than expected, one person separately - and allow Mr close to AT&T said. But all the management headaches that would have been caused by separate classes of stock - from issues of board control and governance to questions of how to put a price of Wall Street, Ma Bell on transactions between dif-

the way, this person added.

benefits have been on the The change of plan did not cost side: AT&T said yestermean that integrating day that it had cut its selling, general and administration - or overhead - costs to was proving more difficult 25 per cent of revenues last year, from 30 per cent the year before.

Revenues, however, only grew by 3 per cent, well below the industry average. AT&T's share price is also likely to have benefited from the merger talk this year involving Airtouch, the wireless carrier. That has prompted analysts in the US and Europe to put a higher

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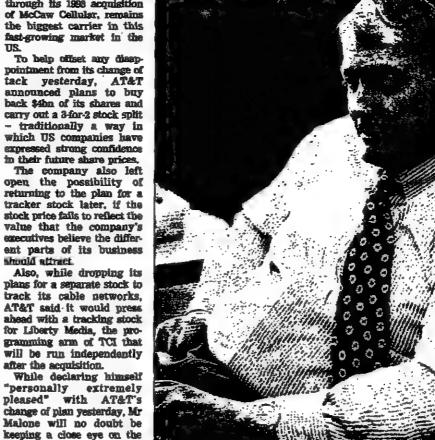
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Financial Times

Weekend January 9/January 10 1999

# Munich Re transfers \$36bn shareholdings

Assets in other companies diverted into separate units

Munich Re, the world's largest reinsurance group, has transferred DM60bn (€31.6bn, \$36bn) of shareholdings in other companies into separate units in increase its flexibility in portfolio management and

Re said yesterday was not prompted by any firm plans to sell the stakes or acquire new ones in other companies, mirrors steps taken by Deutwho Bank and Dresdner Bank, Like Munich Re Deutsche

and Dresdner have held large stakes in some of Germany's leading companies since the nation's re-emergence as an industrial power after the sec- first large group to signal a and world war.

Munich Re said the shareholdings it had transferred in Allianz, Europe's largest announcement days after shares – simed at increasing insurer, which itself has sub-agreeing to the \$10.1bn take-stantial holdings in leading over of Bankers Trust, the ency.

worth DM38hn as of last June. Munich Re revealed in 1996 that its holdings also included

small stakes in such Corman companies as the industrial group Siemens, the chemicals groups Bayer and Hoechst, and the Bavarian bank Vereinsbank (now HypoVereinsbank) as well as Deutsche Bank. Germany offers many exam-

ples of large companies owning stakes in each other and having representatives on each other's boards Traditionalists defend the practice as a way of protecting companies from unwanted takeovers and say it has enabled them to plan

Deutsche Bank became the fresh approach when it said last month that it was moving its non-bank holdings into a separate operation. It made the

German companies. Munich eighth largest US bank. Dresd-Re's stake in Allianz was ner said last Tuesday it had transferred DM25bn of its nonhank shareholdings before the

end of last year. Analysts said one motive behind the actions of Deutappeared to be a calculation that such moves could help limit tax liabilities under the new tax regime of Germany's centre-left government. However, the groups are keen to portray themselves as more transparent in their activities and dedicated to professional management of assets.

Munich Re, preparing for a possible listing on the New published its hidden reserves for the first time. It ended the distinction between its regis tered shares and bearer shares. and allowed bearer shares to be converted to registered

## AT&T drops plans for tracker stock in TCI deal

By Michard Waters in How York

AT&T yesterday surprised planned \$36bn (€30.8bn) purchase of TCI, a deal intended to provide the springboard for its attack on local talephone nunkets across the US.

The US telecommunications group revealed that it had dropped plans to create a sepadeal that would have mirrored the performance of all of its consumer operations, including TCFs cable television networks and its own residential

elephone service. That plan, hatched last June, was seen as a key part of stock market's backing for the of "tracker" stock, with more debt, lower earnings and faster growth than the group's core business, would have attracted a different type of shareholder, potentially giving AT&T over-

Companies in this issue

24

22

23, 7

22

23

22

28 Ford Motor

IВМ

LVMH

**GE Capital** 

Yestarday, however, AT&T indicated that the complicated financial structure could have obstructed its efforts to merge its operations with those of TCI. The company has also been distracted by other deals, ranging from the acquisition of International Business Machines' communications network to a global joint ven-

"Our first and foremost mission is to integrate all these businesses into a seamless organisation," AT&T said. Meanwhile, the need for a

separate class of stock has been reduced by a sharp rise AT&T's efforts to win the in AT&T's shares since the merger was announced. The in morning trading yesterday, compared with \$60 when news

of the TCI acquisition broke.

The rally has removed the company's fears that Wall Street would fall to value its

RMC

TCI Titleny & Co

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all a higher stock market various operations fully. That contrasts with moves by some other US telecoms companies. including Sprint, to set up newer. faster-growing

> The decision to drop the tracking stock was supported by John Malone, the TCI chairman, and Leo Hindery, the company's president, AT&T said. As large shareholders, both men had been expected to opt for the new tracker stock, rather than AT&T's core shares, after a merger. Mr Malone, along with his wife, owns TCI stock that would be converted into \$2.2bn of AT&T shares, based on yesterday's

> share price. AT&T said it still planned to issue a separate tracker stock gramming unit that will not be combined with its other

## Mitsukoshi to sell its stake in

The move repre another retreat by Japanese companies that bought trophy shi acquired a 10 per cent stake in Tiffany from GE Capi-

its holding in a public offering by the end of next month. It shares, and possibly a further 390,000 in case of heavy price of \$57%, the 4.27m shares

The 325-year-old company faces financial and structural problems. Its net debt to equity ratio is 10 times, com-pared with an average of 1.3 times for other Japanese department stores, according to Byron Gill, analyst at Salomon Smith Barney. In addition, the equity base is expec-ted to fall from Y75.1bn (\$647.4m) to Y88.4bn on a consolidated basis this year because of extraordinary losses relating to a write-down on the value of golf course properties bought during the "bubble" period. Worse, Mitsukoshi's underly-

ing businesses are performing poorly. The company's flagship store is in Tokyo's Nihonbashi ing increasingly unfashionable

stores are also suffering. The six biggest stores' collective pre-tax profits excluding exceptionals could fall more than 8.5 per cent in the year ending March 1998, according to Keiichi Nakabeyeshi, ana-

# **Tiffany**

Mitsukoshi, the troubled Japanese department store, is selling its stake in Tiffany & Co, the upmarket jeweller, it said yesterday.

assets in the US during the "bubble" period of the late 1980s and early 1990s. Mitsuko-

The Japanese group, which is now Tiffany's biggest shareholder with a 12 per cent stake, said it would dispose of would sell at least 3.88m demand. At Thursday's closing would fetch about \$247m.

Proceeds will be used for general corporate purposes, store renovation and expan-

among shoppers.
Other Tokyo department

per cent drop in the previous year. However, analysts will probably revise their estimates downwards because of worse than expected December sales.

# Back-tracking

THE LEX COLUMN

AT&T's decision not to establish a so-called tracking stock is a victory of common sense over financial engineering. In the wake of its \$36bs. acquisition of cable group TCI, the tracking stock was intended to help investors by in effect splitting the telecommunications giant into a fast-growing but highly indebted resand a safer but duller business and infrastructure side. Since the first would be measured on cash flow and the second on earnings, the tracking stock was supposed to make sure hidden value did not remain locked

imaginary problem. AT&T's stock has gained 40 per cent since the TCI purchase was announced in June, Perhaps the management underestimated its analysts and investors? They have obviously had no problem in looking at different businesses differently and coming up with a sumof the parts valuation. The scramble over AirTouch, for example, has highlighted the value of AT&T's wireless operations.

The management has helped, by furnishing more information about the various businesses and yesterday by announcing a \$4bn share buyback to offset earnings dilution from buying TCL As its pay-off, it no longer has to worry about the ownership, corporate governance and transfer pricing issues a tracker would have raised. As a result, it can concentrate on integrating a string of recent acquisitions. That should make it easier to reap cost savings and, eventually, to offer customers the holy graft of bundled services.

#### BTR/Siebe

Those rementic BTR shareholders who were hoping that a mysterious suitor would appear in time to save the engineer from a less-than-perfect marriage to Siebe look likely to be disappointed. The US and European controls and automation groups once tipped as potential counter-bidders have had almost three weeks to consider the merger documents, but have shown no sign of interest.

Shareholders in both companies must now lodge their proxy votes by Monday, in time for Wednesday's meetings. Philips & Drew has accepted Siebe's offer for BTR, one of the biggest and longest-running disappointments in its portfolio, and other BTR sharsholders should fol-

pay any premium for the group. BTR's shares are now 25 per cent above their, albeit dismal, pre-bid level, and investors know that they would quickly sink back were the merger to fall.

Siebe's investors have been given little choice but to accept. The deal has shown up the threat to Siebe's organic growth, but turning it down would not solve that problem. Siehe's efforts to sell the deal to an underwhelmed investor base have been low-key, but few shareholders will risk undermining management by voting down this plan. Siebe's shares have risen just 6 per cent since the deal, missing out on the market's rally. Although its investors look likely to wave the merger through, they can be surgiven for doing so through gritted teeth.

It was not just communism that soded up under the rubble of the Berlin Wall. A decade on and HMC's German husiness, some 30 per cent of group sales, is a mess - more building site than building materials. The German construction boom, fuelled by tax breaks to smooth unification, was due a bust. RMC now knows about the pain of getting the eyele wrong: a like-for-like fall-off in 20 per cent in the second half of the year. Brave sonis are predicting stabilisation in 1989, but it could well

take longer. Turn it will, and, as RMC points out, the German construction market is vast. But it is also mature. estimated at some 10 per cent of gross domestic product. Germany may simply not be where RMC's This compares with a 22.7 Siebe is paying a generous price, but few years, the US - or perhaps Asia

would be a better bet. With interest cover at over seven times, RMC it have the culture? It may, in any case, have missed the boat in the US, where a big infrastructure spending programme has pushed up asset

Clearly, this is not a company in distress. Its returns on capital are decent, it is well regarded for its cost control and each generation. But a merger with a company that shows greater flair, such as CRH or Aggregate industries, would really make it exciting. The rub for investors ! that it is hard to see the mana; ment willing to consider such T calism. The shares, on a for of between 10 and 11, n. cheap. This does not make be

Regional brewers Anyone who mis-spent his or har youth playing video games in Marston, Thompson & Evershed's pubs should be delighted by the UK regional brewer's revival of the "Pacman" defence. The tactic of turning around and gobbling the monster chasing you was a briefly popular, if rarely successful, corporate finance ploy in the 1980s.

Marston's andactous plan, which has Bass's backing and the likely support of Nomura, cannot be dismissed. Its offer has a slight edge over its rival's bid. But if Wolverhampton & Dudley Brewerles can find more cost savings than its origi-nal £12m (£20m) and add at least 5 per cent to its terms, shareholders would be faced with a straight choice between two managements with different strategies. On the one hand, Marston sensibly wants to cut brewing capacity. On the other, Wolves has the better reputation for running pub estates.

The snag with the Pac-man defence is its impact on the companies' valuations. Marston's ability to launch this bid owes much to the boost given to its own shares by Wolves' interest. Its offer now puts a takeover premium into the Wolves share price, which in turn inflates the value of Wolves' bid for Marston. Whichever company wins will have 🕻 its work cut out to support such valuations once the deal is completed. Unless shareholders in either company feel passionately about the relative merits of one or other strategy, they would do best to sell in the

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#### Weather

AT&T

**AT&T** 

**AirTouch** 

Europe today

It will be very cold in the north-eas showers and sub-zero north-west will screed south into central areas, turning to snow as it

and turn more wintry later. The iberian peninsula will be wet. The terranean will be mostly dry and warm with some sunshine. Snow will move into south-easte areas, turning to rain for a while. Five-day forecast

It will be wintry across most of northern Europe with snow showers, in central areas, there will be steady snow for a time. The snow will move into eastern areas will turn milder by the end of the the central Mediterranean, but the east should stay fine until late in



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End Game

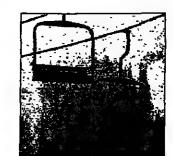
'The greatest variety of threats to human survival stems from our own technological prowess, and love of war'

Page XII



Robber baron's gift

'Why did a man who spent his life ignoring public opinion leave his precious collection to the nation?



**Good grooming** 

'Artificial snow and sunshine cheered up skiers - many of whom seem content to ski Beaver Creek and Vail'

# A watery grave for the truth

Nicholas Faith asks whether all the facts about the sinking of the Estonia will ever be known

place, a lovely escape from the hell that was living at the time."

middle of the Baltic in late eptember 1994, surrounded by dead or dying fellowsensers from the doomed ferry Estonia, struck Paul Barney, a young English

survivors from the 989 aboard. The casualty list the Herald of Free Enter- reports? prise disaster in 1987 – made it by far the worst peacetime tragedy to strike a European ship since the Titanic 82 years earlier, and the biggest disaster involving Swedish citizens for more than a century.

Over the past 50 years there have been many disasters involving ro-ro (roll-on, roll-off) ferries. In February 1953, the Princess Victoria, a British ferry, went down in a gale off the coast of Northern Ireland, Irowning 139 of the 182 on board. The cause, the failure of the car deck's bow door, was the same as

And outside Europe there have been many worse tragedies, most notably in the Philippines, an archipelago of 7,000 islands which depend for transport on usually badly maintained, route between Tallinn, the almost invariably over-

crowded ferries. The worst recorded there was the Dona Paz, which sank in April 1986. The official death toll of 4,375 was a considerable understatement, since the ferry almost certainly carried up to 800 unrecorded passengers.

But, especially since the the Herald of Free Enterprise disaster, somehow no one expects tragedies such as the Estonia to happen in Europe, particularly because was sailing to a port in Sweden, supposedly the most safety-conscious of countries.

Yet, in this instance, the Swedish authorities, together with the Finns and Estonians who were also involved in the decision, are seeking to cover the wreck of the Estonia with a cement overcoat, saying that it would not be seemly to disturb the bodies of the victims still on board.

Although the survivors have raised enough concerns to lead to a delay in the (literal) cover-up, rocks and pebbles have already been

eath was actu- dumped round the wreck as design of the ferry, in partic-ally a very preparation for the cement. ular the ramp in front of the If they are indeed followed propose, this would leave unanswered for ever the vital question posed in a That's how drifting in a television documentary, water-logged life raft in the directed by Jonathan Jones and Phillip Wearne, to be

screened on Monday on Channel 4\*, and in a book\*\*: did the Estonia sink as a result of a design flaw, as an official report stated, or, as seems equally plausible, as a result of weaknesses in maintenance, inspection and certification procedures, as over four times greater than indicated by two subsequent The Estonia was no ordi-

nary ro-ro ferry but a symbol of the freedom of the newly independent Baltic States and the flagship of the new Ratonian merchant marine. It was therefore a politi-

cally sensitive vessel. Sweden and Estonia both became anxious to prevent blame for the tragedy falling on the fledgling Estonian government and to prevent a searchlight being thrown on the inspection and regulation procedures of any of the ferries operating under any flag in the Baltic

The shock of the sinking appears to have taken the Swedish government by surprise, perhaps even causing an element of panic. This is the atmosphere in which the official inquiry was held.

The Estonia's regular capital of Estonia, and Stockbolm provided the most direct maritime route from the former Soviet Union to attracted a wide mix of passengers, including, it was thought, not a few drug-run-

ners and illegal immigrants. Inevitably, its loss sparked off some extraordinary rules were tightened after rumours: that militaryquality cobalt from the former Soviet Union was being carried on a couple of closely guarded trucks on board; or that the Russian Mafia had planted a bomb on board to warn the owners to pay protection money - but that the Mafia did not realise the ship was in such an appalling condition that the warning became a deadly weapon.

The ship sank in the early hours of September 27, only a few minutes after distress messages had caused rescue attempts to be launched from several Baltic ports. Unfortunately, no one on

the bridge survived, which provided further grist to the rumour mill. The official report by the Swedish, Estonian and Finn-

ish governments blamed the

car deck and the visor which covered it.

The 55-ton visor, which bore the brunt of the force of sides with another - the "Atlantic lock" - on the centre line at the bottom. The report, published in December 1997, said the design of the visor meant that in waves as high as those encountered by the Estonia, it was certain to

Not surprisingly, Meyer Werft, the highly respected German company which built the Estonia, objected and set up its own independent commission of inquiry. the findings of which were published last year. Its conclusions were later largely validated by another investigation carried out by the International Transport Federation, which represents seamen worldwide.

The first objection raised by the two unofficial inquiries was to the membership of the official inquiry, which included the chairman of the company which owned the Estonia, as well as the official responsible for the safety of Estonian ships; these two Estonians were, in effect, investigating them-

Next, the later inquiries

There had been at least 10 other problems with broken locks or visors on Baltic ferries

found that the weather was not by any means as exceptional as the official inquiry had made out. They then noted the absence of collision bulkheads between the bow and car deck, which are meant to absorb the first impact of any collision. This resulted in the ramp being too close to the bow and

lacking proper protection. There were no collision bulkheads because the Estonia was not originally licensed to sail in open waters - only within 20 miles of the coast. But after it was transferred from Swedish to Estonian jurisdiction in 1992, in a gesture by

newly independent Baltic the Atlantic lock could no ties extended its licence to cally but had to be hamallow it to sail more than 20 miles from land.

Bureau Veritas, French "classification society", responsible for certifying that the ship was safe, was either not told of the licence change, or, if it was told, let the change go through. It is unclear which. because of the society's roles in acting for both the Estoman regulator and the Estonian owner of the vessel.

There had been at least 10 other cases of problems with broken locks or visors on Baltic ferries. Luckily, in all earlier cases, the crews had been able to reach port before any serious damage was done. An inspection of the Estonia's sister ship, the Diana 2. had revealed well before the disaster that it too had suffered from a failure of the lockings on one side but no repairs were made because the Diana 2 was old. But the biggest shock was the state of the Estonia's visor. In an article published in the Naval Architect magazine in April 1998, Nigel Ling, a maritime expert,

'tide marks' showing that the water had repeatedly got into the space between the ramp and the visor. "There were witnesses prepared to testify that 'when the ship was entering sheltered waters', on other trips, water could be seen streaming out of the visor joint' - a

reported that the bottom of

the visor "is corroded - with

ship's inspector."

state, the Estonian authori- longer be operated hydraulimered open and shut. Ling wrote that one Swedish seaman "had carried out repairs to the Atlantic lock in a manner that can perhaps best be described as imagina-

> Yet the official inquiry allowed the Atlantic lock, an obviously vital clue to the cause of the catastrophe, to be thrown back into the sea after it had been recovered because, it claimed, it was too heavy to be transported by helicopter.

The German inquiry concluded that the ship was not only being sailed in seas far rougher than the relatively calm waters for which it had been designed, but that it had been appallingly badly maintained. The crew had complained on numerous occasions, and when the ship was docked for its annual inspection in 1993 had asked for the locks on both ramp and visor to be reinforced items included in the original estimate for repair work but struck out later.

As Cantain Werner Hummel, a senior German investigator, put it: "The whole aligned so it did not close ... and the misalignment was so extensive that the locking bolts didn't fit any more at the port side. only at the starboard side."

The "German theory" is that the ship suffered a sofar unexplained shock on the starboard side which allowed point confirmed by the water into its lower part, below the car deck; this led The German inquiry found to a list from which it soon the Swedes towards the the hinges were weak and recovered. However, the the seem set on a course of

ory is that this shock caused the bow door and visor to come loose and fall off some minutes later, at which point there was flooding of the car deck and almost immediate

This theory would explain the gap of half an hour een the initial impact and the sinking, as well as the fact that the visor was not found where it would have been had it dropped off sank, as the official inquiry had claimed.

The Estonia now lies in relatively shallow water and could easily be raised and inspected to find out where the damage really did

Yet the governments involved want to transform the Estonia into an underwater sarcophagus. This idea was not raised until after the inquiry had been under way for some time, which perhaps suggests that the investigation was uncovering potentially damaging aspects of the story.

What is certain is that the evidence is sketchy. Even a video recording of the starboard side of the ship, which could have shown whether the German theory was correct. was inexplicably lost. If the authorities do con-

crete over the wreck, it could smother one of the greatest incentives to examine and, if required, over haul maintenance and inspection regimes which could be allowing other ferries in a similar condition to the Estonia to continue to ply routes in the Baltic.

Nevertheless, the Swedes



Contents and columnists

Fat new friends 'The sensible rule is that good

**Ethics Today** 

government properly distances itself from all interest groups' Page III

**NEXT WEEK** Pack your bags

A world of choice: plan an escape with the help of our 12-page focus on travel With FT Weekend:

eling. s, one nd of have But if IJ We m and declaring the wreck "a perakon of acropulous atten national grave which must tion to public safety.

\* Mayday: Lost at See, Chan

nel 4 January 11, 9pm.



not be disturbed". If they

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Ethics Today . \_ XI

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XVIII II-IV, XII XIII, XIV Small Businesse XYIL XV-XVI) XX, XXI

# A mysterious repulsion is blowing us all apart

Clive Cookson reports on a sensational development in cosmology

space and prevented the universe collapsing under its own gravity. After astronomers dis- mology for many years. covered in the late 1920s that the whole universe was expanding, groups of astronomers who Einstein renounced his idea as "the biggest blunder of my life". Now, 70 years later, it is beginning to look as though he was right in the first place.

The standard view of cosmology for several decades has been that the universe started life in the Big Bang about 15bn years ago and that gravity has been the rate at which it is flying apart. The biggest argument has been about whether there is enough matter eventually to pull everything back together in a Big Crunch or whether the universe

will expand for ever. Over the past year, however, evidence has accumulated to show that, far from the expansion slowing down, a mysterious repulsive force is over-riding the

sensational development in cos-

The evidence comes from two observe supernovae - violent stellar explosions - in distant galaxies. These turn out to be about 15 per cent farther away than they would be if the expansion were driven merely by the original impetus of the Big Bang.

particular type of supernova which is believed always to have the same intrinsic brightness. It can therefore act as a "standard candle" whose apparent brightness as observed from Barth reflects its distance.

Although the required Type 1a surpernovae are rare (only two or three explode per millennium in a typical galaxy), the astronomers managed to identify and analyse several dozen of them, through electronic searching

force pervaded empty ever increasing rate. If this is shifts" - the speed at which they confirmed, it will be the most are moving away from us - it is possible to calculate how fast different points in the past. The results consistently show acceler-

> 'dark force' permeates the universe and has overcome the force of gravity," says Nicholas Suntzeff of the Cerro Tololo observatory in Chile. "This is so strange The astronomers looked at a and unexpected that it perhaps is sarticular type of supernova only believable because two independent international groups have found the same effect in their data." Astronomers are looking hard

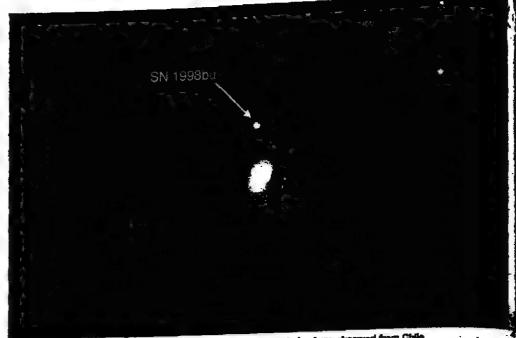
for flaws in the research. "We want to be sure we aren't being fooled by interstellar dust dimming the supernovae or stellar explosions that are somehow weaker in the distant past," says Richard McMahon of Cambridge University's Institute of Astronomy. "So far we haven't found anything to shake our confidence

libert Einstein proposed braking effect of gravity and in 1917 that a repulsive pushing the universe apart at an the supernovae with their "red-discovery that we'll keep looking for any loopholes."

Meanwhile theoretical physicists are trying to come up with the universe was expanding at an explanation for the cosmic repulsion. Einstein called it the cosmological constant, designated by the Greek symbol lambda, but to him it was just a "What we have found is that a mathematical "fudge factor" to make his relativity equations

> is as a huge reservoir of energy somehow locked up within "empty" space, which counteracts gravity on cosmic scales and pushes matter apart. Because mass and energy can

in principle be converted into one another, it is possible to compare the contribution of lambda to the energy balance of the universe with the amount crystallised out as matter (galaxies, stars, planet, quasars, interstellar dust and so on). A provisional estimate, on the basis of the supernovae research, suggests that matter accounts for only 30 per cent of possible explanation for it.



ernove 1998bs, a violent steller explosion on the edge of a spiral galaxy, observed from Chile

mass/energy, with lambda accounting for 70 per cent.

For the past few years, astronomers have been looking for the universe's "missing mass" or they observe through telescopes and other instruments accounts for only a small fraction of what from the motions of galaxies through space. Now they must search for "dark energy" too.

Quantum mechanics provides a

far from empty even if it contains no conventional matter. On the smallest possible scales of distance and time - a billion billion billion times less than our everyday world - it is seething with "virtual particles" that appear and then vanish again. These could give space the springiness

it needs to counter gravity. But calculations show that quantum theory would provide far more repulsive energy than is observed. So the hunt is

According to this theory, space is on for any other explanations Whatever mechanism lies behind Einstein's cosmological the argument about the ultim fate of the universe. There appears now to be no way in which everything can come have together in a Big Crunch.

Instead it will expand for ever growing more and more diffuse The universe a trillion years in the future, after the last stars have died, will be utterly cold

Demand for craftsman-built fishing boats waxes and wanes with the numbers of salmon on the Tay. Peter Rolt reports

when most other people have thoughts of retirement. John Ferguson is happily building the traditional wooden boats used by salmon fishermen on the River Tay in Perthshire. Like many others, he had to make sacrifices when his children were small and he realised that his sacrifice would have to be boats.

He explains: "In 1960, when I finished my five-year apprenticeship, there were very few steady jobs in boat-building; I couldn't afford the uncertainty. So I took up renovating old houses and ioinery work on new ones – along with work on the new motorways. Cutting up shutwhich has always been boats."

For most of their married life. Ferguson and his wife have lived in a two-bedroom council house on the outskirts of Perth, Scotland. Twenty years ago, when his daughters had left home, he decided to risk taking up the craft for which he had trained in his teens.

In 1979, he rented a large at Stanley, about five miles away on the banks of the Tay, to begin his own boatbuilding and repair business. He still pays less than £100 a month for it. "I had to have somewhere cheap - I certainly couldn't afford Perth prices." He looked for no



tering-ply for concrete John Ferguson: I must be doing myself out of a job because cobies are only expected to just about 10 years'

Minding Your Own Business

# Going with the flow

but used all his savings to get started.
"While I was working as a

a Save As You Earn scheme, building on an old pig farm which meant I had £2,000 to spend on second-hand machinery, such as a planer/thicknesser, a circular saw and a on their stretch of the river band saw.

"I started off building loch-fishing boats and sailing dinghies but Stanley is right in the middle of the Tay fishing area so I soon guests on just a few days sample coble. Orders fol-

repair the boats used for come from the world over estates. The business built salmon fishing to help stocks rod and line salmon fishing." and the boats are in constant up gradually to a peak in regenerate. If the stocks contine owners of fishing use six days a week through 1995, when he was working time to decline, a whole netcarpenter I was paying into rights - private companies out the sesson - January 15 seven days a week with a work of people will suffer to October 15.

and hotels as well as estates, large and small - employ ghillie/boatmen who take fishermen and women out in boats which have evolved and began to build one from specifically for this purpose. scratch. The Taymount Known as "cobles". these boats would once have been used by the laird and his asked Ferguson to build a every year, but now visitors

Soon repair work overtook loch boat building so he took measurements from an old coble lying on the river bank Estate, whose own boatbuilder was about to retire, lowed from that and other

27 Trust one won't be thrown in at this? Not exactly (6) 28 Soil that's hard to work needs increasingly broad cutter (8)

DOWN

turnover of £26,000.

Although the Tay is still one of the most prestigious salmon fishing rivers in Scotland, there has been a worrying decline in numbers of salmon. Net fishing on the Firth of Tay has been banned and proposals have been made for a curb on all

salmon fishing to help stocks ally built of larch planks on owners of fishing rights, Since then, however, hotellers and their staff and orders have tailed off. the ghillie/boatmen. John the ghillie/boatmen. John Ferguson is among the hundreds who are anxiously

watching developments. "I regularly take my boats to game fairs and boat festivals where they attract a lot of interest but not enough. orders," he says.

Tay cobles are tradition-

parts of the fast-flowing river. They are 16ft long and with a draught of only 6in to Sin, highly manoeuvrable even with three people in "I have never felt any com-

that each has its own char-

international, for which a

oak frames; their most distinctive feature is that they are built without a keel which would snag in shallow

punction about altering a tic." boat to the requirements of I John Ferguson, 95 Scraththe boatmen, who tell me

acter and none is identical to any other," says Ferguson.
"I reckon there must be about 80 of my boats on the river at the moment. For 2 years I've been gradually replacing boats built by other people and I haven't yet had to replace any of my own. I must be doing myself out of a job because cobles were only expected to last about 10 years."

He is well aware that he undercharges. He started off by asking just under 21,000, but now the price has

For the bottom planks you need a fairly straight tree but as you come further up you need a good swing on the tree. It wasn't so easy to get in a stock of trees shaped like hamman

Having seen wind-blown oak and larch often left to lie where they fell, in 1992 Ferguson invested \$2,000 in chainmill saw and begard buying whole trees from the estates. He could thus select them, slice them into planks and sesson them himself. In the pest three years, he has used 21 tons of larch and has 10 tons of wind-blown cak awaiting his chainsaws outside his workshop.

His boothuilding business has not made his fortune but he is doing what he wants to do. He is the last professional boatbuilder on the Tay and as long as people want craftsman-built wooden boats - "I've built sailing dinghies, pram dinghies and rowing boats, as well as cobles" - he will be happy to go on building

Ferguson's wife has just retired but he would like to continue working for many years yet. "I have paid into a private pension scheme since I started but it will yield only a meagre amount. With both our pensions we'll

be all right," he says.
"The repair work keeps me going and there are always enough inquiries about new builds to keep me optimis

ming up to personss. Labour tny Road, Perth, Perthshire PEI 2NA; tel: 01738-626696.

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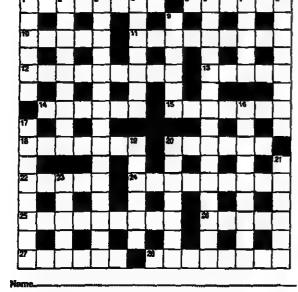
Section 1

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### CROSSWORD

No. 9,883 Set by CINEPHILE The prize of a matching set of finely engraved personalised notepaper, envelopes and correspondence cards on Ecru Kid Finish Paper from Crane & Co will be awarded for the first three correct solutions opened. Solutions by Wednesday January 20, marked Crossword 9.883 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday January 23,



Abels international Moving Services



1 Troops disposed of - that's on the line (8) 5 Friend outside one inside -musically it's not authentic

10 Pictorial puzzle concerning transport (5)
11 Golfer's cry where tennis is played by the pumps? (9)
12 Eccentric directors without

substance (9)

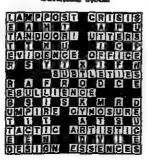
14 Fruit tree - it's confused with corn (6)
15 Conveyance in which I've
been taken of having an

object (7) 16 First (unless (irst's second) (7) 20 Celts might surround a for-

speaking (5)

22 More in context, radically 24 Manifestation of headless spectre à la ghost? (9) 25 Precursor of marriage in France? (9)

26 Clarification? You cannot be serious! (5) Solution 9,882



As the most important invitation event of the

1 Neat with needles (6)
2 One little boy in a row gets a rake (9)
3 Conferring of priesthood in
a submarine is defiance of authority (15) 4 Don't say it again? (7) 6 Want a flower, keeping one to name without enthusi

asm (15)
7 Note what the smallest pig Says? (5) Student - say it again can reed (8)

9 Believe you've got it coming? (6)

16 Musical exercise for one, including odd little figure, 

| 4 10 8 |
| 87 |
| A | 

boy performed - marvel-lous! (8) 19 Mourn a loss in the matter of a tree (6) 20 What the chiropodist 'as to do, inversely, about part of the eye (7) 21 Agree where to sit (6) 23 Flower border after day's opening (5)

bridge calender - the Macallan International Pairs approaches, Zia Mahmood is once again peaking at just the right moment. This time, playing with Howard Weinstein, he accorped the Blue Ribbon Pairs, one of the top events on the US circuit.

₹1965 ₹653 4 10 8 4 3 4 5 2 **10943 3** 10 9 **♣KJ976 ₹** A 3

NB 18

₹ KQ1042 **♦ QJ85** 4 A7

North East South West

West's 3C was a pretty continues tramps, North strong weak jump overcall, never receives his spade ruff.

and North's double was negative style, possibly promising four hearts, but definitely showing about nine | For further details on The points or more without support for spades. Sitting South, Mahmood decided that, without a fit in spades.

game was unlikely, so he Many of the UK's best chess passed and tried for a meaty

penalty.
The defence would have to be accurate - and it was. North led Ad but, seeing dummy's doubleton spade and two significant trumps, he switched to a trump at trick two to cut out any spades ruffs for the declarer. Sitting South, Mahmood found the master play of ducking this trump lead, keeping control of the suit. When declarer led his other spade from dummy, Mahmood hopped up with his Ka

- and he then cashed A. North had led 64 and had then followed low, the peter indicating three trumps, so Mahmood was able to cash Ja and lead a fourth round for North to ruff. Together with A. North-South collected six tricks and 300 points, giving them a score of 95.5 per cent on the deal Notice that if South wins the club switch with A4 and one off would have been worth virtually nothing.

Paul Mendelson | W E Sutovsky).

Macallan International

Pairs, call 0181-878 5844

players, past and present, have been Oxbridge graduates, so last month's Oxford

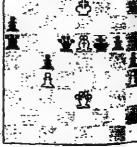
local patron donated £10,000 prize money, was an important and a welcome venture. Cambridge University stages an open-to-all weekend congress on February 6-7 (details from Sam Essen on 01223-509787). Julian Hodgson, the prize on tie-break from Johnny Hector of Sweden, but it was a local pair, who - crashing his partner's Q4 stole the show. Sister and

brother Harriet and Adam Hunt, were first and second in the master group. Harriet, the 1997 world girls' champion, also made virtually sure of her master title at men's level, only the second such achievement by a UK woman. England has few girl players but their results are exceptional, with three Fide world titles in the last 18 months. The best game at Oxford

shows how an offbeat opening with bite can unsettle even a strong grandmaster. White's 2 g3 lures the black queen to an exposed central position which proves more significant than White's inability to castle (M Turner

Qxd5 4 Nf3 Bg4 5 Bg2 Qe6+ 4 Kf1 Nc6 7 h3 Bh5 8 d8 0-0-0 9 Be3 Qf6 10 Nbd2 Nd4 11 Rb1 Qa6 12 b4! Qxa2 13 Bxd4 cxd4 14 Ra1 Qb2 15 g4 Bg6 16 Rxa7 Kh8 17 Nc Qxb4 18 Qa1 Nf6 19 Nxd Be4 20 Rxe4 Nxe4 21 Nc6+1 Resigns. If bxc6 22 Ra8+ Kc7 23 Q27+ Qb7 24 Q25+ wtos. No 1265

This is a very tricky variation from the game Vladimir England No 9, took first Kramnik v Peter Leko, Tilburg 1998. White (to move) is well down on material and threatened with Qe7 mate, but what should be the



result with best play?. The outcome only needs four moves to demoustrate but requires a very precise choice of moves for both

Solution, Back Page Leonard Barden

احكذا من الاحل

# Nobel voice speaks out for the wretched of the earth

José Saramago refuses to allow his powerful moral concerns to be muffled, says Peter Wise,

tuguese novelist awarded the 1998 Nobel prize for literature, wants to stop the world for 50 years. At

leave, nor, as an ardent communist, is he averse to progress. He simply suggests a ause so that humanity can try to find a better balance.

We should be able to find the courage to say that the stage of development we have reached in the west is good enough for now," he said during a recent visit to Lisbon. "Let us devote all our energies for half a century to helping the millions of people who have been left hind to catch up."

Single striking ideas such as this are at the heart of almost ali Saramago's works, engaging the reader with powerful moral questions and disquieting ironies.

\*Kach of my novels and plays is built around a strong idea. When I start writing, I know exactly where I am going.

Blindness (Harvill Press, £8.99), his latest work to be published in English, is an unsettling allegory in which inexplicable plague deprives every human. except for one woman, of sight. A blindness to reason. Saramago believes, has produced an absurd world in which the suffering of the poor is ignored by rich pations pursuing ever

"Is it not absurd that the bring back rocks from Mars, the poorest 40 per great achievement?

The questions that Saramago poses in his writing school in his honour. are equally discomforting, and some have sought to In 1992, an official in the then conservative government of Portugal excluded his novel, The Gospel Accordtng to Jesus Christ, from consideration for the European Fiction Award. The book, in which a troubled Jesus questions his role, was consid-

osé Saramago, the Por- ered offensive to Roman told an audience brimming Catholics

> In response, Saramago moved to Lanzarote in the Spanish Canary Islands, where he lives "in exile", as he only half-mockingly describes it, with his second wife. Pilar del Rio, a Spanish Journalist.

> "I left Portugal because an act of censorship was committed against one of my books by specific individuals and a particular government. I did not feel at ease," he says. "But that hasn't affected my relationship with Portugal. This is my country, my language, my

> > 'Let us devote all our energies for half a century to helping the millions who have been left behind

tugal is there with me." Saramago's most widely read novel, Baltasar and Biimunda (1982), recounts the building of an 18th century convent in Mafra, just north of Lisbon, But Saramago has not been afforded the slightest distinction by the municinal council for bringing international attention to the small town.

The book, the conservative but sends only three or four mayor said, "in no way dighelicopters when a natural nifles, but on the contrary, disaster strikes Central belittles Mafra in the same America?" he asks. "Is a way that it belittles the hisworld in which fewer than tory of our country". Even-300 people own as much as tually, when Saramago became a Nobal laureata the renamed the local secondary

Saramago's political views do not make him an easy figure for upholders of the status quo to embrace. At the glittering Nobel award ceremony in Stockholm last month, he used his acceptance speech to denounce governments and big business for failing to protect human rights. Multinational

reduced what remained of the democratic ideal almost to nothing.

Despite differences with the leadership, he has belonged to the hard-line, unreformed Portuguese Communist party since 1969 and remains a committed

"In spite of the errors and the crimes committed by communist regimes, I continue to believe deeply in the basic virtues of human solidarity and respect for others. A time will come when people will reconsider the doctrines that have today fallen into disrepute. There will be new interpretations and new experiences. We will have to be careful not to make the same mistakes,"

"There will always be sople who criticise me for ideological reasons or because they are, let us use the word, envious, But the attacks on me are insignificant compared with the enthusiasm that has greeted the Nobel award. What matters to me are the ordinary people, some of whom can't even read, who come up and say "Thank you'."

Saramago is himself of humble origins. His family moved from a small village to Lisbon when he was two. He worked as a mechanic, studied at night, and later became a translator and a journalist. Apart from an lished in his youth, his first work of fiction, A Manual of Painting and Calligraphy was not published until 1977, when he was 54, and earned only minor recognition.

Baltasar and Blims Socialist government national reputation, came out in 1982. It sets a touching love affair between a disabled ex-soldier and a claironly in the dark, against the cruelty and greed of church and state. "If I had died when I was 60. I would have written nothing. The young should realise that we old people also have valuable work to contribute.

The practical obligations of the Nobel prize have inter-



José Saramago: "Is a world in which fewer then 300 people own as much as the poorest 40 per cent a great achie

rupted Saramago's work on world will be drawn to guage, generous and flam- clarity or precision, about what effect the impovezz. partiv a modern interpretation of Plato: "I haven't written a line since the award was announced in tinction, which brings with it the sum of SKr7.6m (2578,000), will not change

him a jot, he insists. However, as the first writer in Portuguese to receive a Nobel prize, he does feel a responsibility to his language and the literature it has produced. "Through me, the eyes of the

a novel to be called The Cap- authors writing in Portu- boyant, rich in smotions," guese in Brazil, Mozambique, Angola, Portugal and other countries

> The award is seen as a long overdue recognition of writing in Portuguese, the world's seventh most widely spoken language. Giovanni Pontiero, the late

translator of most of Saramagn's works into English has testified to his extreme concern with language.

"Portuguese, like Spanish,

Pontiero wrote, but sometimes rendered by these characteristics "conceptually woolly and inexact".

perverse" but "shines among a new generation of Portuguese writers who convey unusual insights to say." without any loss of

man gives to his tools," says Saramago. "No one can achieve mastery of all the Saramago, he said, finds words that exist. But the "exasperatingly more I enrich my vocabu-

> greater subtlety, what I have This has led to a concern

"I give the same attention erishment of language might "In the field of emotions, one of the words least used today, at least in Portugal, is love'," he says, "People say 'I like you' or 'Tim fond of with greater precision and we lose the words, may we not also lose the feelings and emotions they represent?"

Ethics Today

# Naïve faith in fat new friends

By cosying up to business, Labour risks a scandal of real substance, says Joe Rogaly



are devious, even ambitious. Some of

remarks about their colleagues. These noble administrators have aides who support them, occasionally by telling fairy tales about their rivals. As we know, such repre-

hensible behaviour is never observed in other countries. French, German, and American politicians all abide scrupulously by the rules of seeking advantage over their colleagues ever passes minds. There is no scramble up and down the greasy pole in Paris, Bonn, Washington, Rome, Madrid. New

Pull the other one, you say. Seekers after office are the same everywhere. They lie and cheat when they have to, protest their innocence when found out. Straightening my face. I agree. The midwinter holiday season beadlines in the British press tell us merely that Britain's Labour ministers are politicians.

Yet Tony Blair seems worried. He need not bite his

believe this, meaningless fusses got up but certain by the media on both sides ministers in of the Atlantic this one will Britain's doubtless be shrugged off by New Labour most voters. Their minds government are not focused on ordinary vain, political in-fighting.

There are more serious matters upon which the them whisper critical prime minister might reflect this week. The one that holds the greatest potential for further trouble for New Labour is the relationship of his government with business. It is too close. The converts from socialism are displaying a naïve faith in their fat new friends. There have been casualties already. Unless he is careful fair play. No thought of Mr Blair himself will even-

tually be hurt. This is not an anti-capitthrough their pristine alist bleat. It is simply an affirmation of the sensible rule that good government properly distances itself from all interest groups. This should apply to every polity, including the US and the social democracies of

continental Europe. Admittedly, not every one of them is perfect, but that is beside the point. In Britain the lesson is yet to be learned. A touch of history should do the trick. Like other parties of the left, Labour was once closely entangled with the trade unions. I can remember a time when ministers

before making important decisions.

The result was disaster. Labour lost office in 1979, thrown out for its association with the chaos caused by dependence on the workers' representatives. It did not come back until 1997. By that time its young new leader had determined to make New Labour a

> Companies serve their shareholders. governments serve everybody

party of business, like the Democrats in the US. Mr Blair was quite right. His party needed repositioning. It could not hope to win if it remained hostile to private enterprise. A dynamic economy could not function well unless the government remained conscious of the need for a business-friendly

environment. This meant keeping taxes low, minimising regulation, and checking all new legislation for its effect on investment and profitability. It also meant the aban-

You may not nails for long. Like other in the Wilson and Callaghan donment of Old Labour rhetgovernments asked union oric - for example, less leaders for their permission mumbling about the "obscenity" of profits.

So far, so reasonable. New Labour has, however, done more than that, it has fostered public-private partnerships, deals that bring in capital against guaranteed future income streams. have been invited to join the

Companies have been tapped for sponsorship of favoured projects, such as vast, empty marquee dediisters stand ready to take calls from business chiefs, as they once did from trade union leaders.

with any single item in the above list. Put it all have a minefield. Comnamies enter into partnerships with the public sector be organised labour or big to make money. That is their primary job.

When this spare executive or that chairman serves the administration he or she trying to provide a stable hopes at the very least to make useful contacts. Spon-manufacturers and traders, sors do not sponsor out of the goodness of their hearts. Calls are not made on top officials merely to pass the time of day.

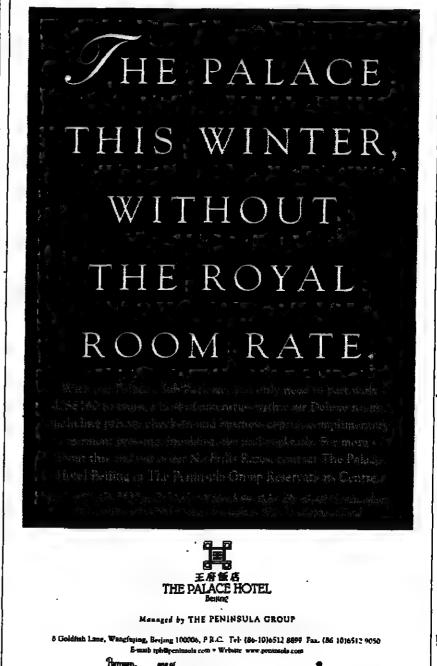
It is plain that the chances of something going had never been thought of.

high. The prime minister could minimise the danger by a further, slight, adjustment of New Labour's position. He might achieve this by writing a short statement on the cabinet room flipchart. "Companies serve their shareholders, govern-Prominent businessmen ments serve everybody", it would proclaim. Excuse me for a moment

while I climb on my hobbyhorse. To my mind the overriding success of the free the millennium dome, that market puts large comcated to the servants of overwhelming power that Mammon. Meanwhile, min- we as citizens, not to mention consumers, need protection. This could be provided by the countervailing force of campaigning organi-There is nothing wrong sations like Friends of the Likewise, governments

are there to defend the public, not any particular part of it. whether that segment corporations. Holding the ring for the market, maintaining the rule of law to enable business to function, economic background for are all part of that task.

It should, however, be carried out at arm's length, eyes wide open. Unless it is, Mr Blatr is at risk of waking up to headlines he will wish



the robb

ПАПИРОСЬ

# Twice-dead poet of the Russian revolution still awaits a rebirth

Vladimir Mayakovsky died in the service of communism. Paul Neuburg argues for a recognition of his greatness

arguably the greatest revolutionary poet of the 20th century, died twice. Following his econd death, while turning in his grave, he was more alive to the people of his country than he bad ever been before his first, And the way they feel about him now could spell his third demise. Mayakovsky committed suicide

in 1930, Self-murder had featured several times in his conversation and in poems going back to 1916. But just when it actually hap-pened is all-important.

You may say that his suicide was one of those rare acts of definition in history, which strips clean a whole era, and lavs open the future mercilessly," says Patricia Blake, associate of the Harvard Russian Studies Centre, and editor of a collection of Mayakovsky's translated verse and his

satirical play. The Bedbug.
"Here was a poet who had tried to place his supremely individual gifts at the service of a collective society, and he now lay with a bullet through his heart."

The crisis that entrapped Mayakovsky in fact sprang from the issue at the heart of the whole history of communism and the arts. This concerned the realisation of its key aim, which was to reshape people's minds so they would join in reshaping the

But trying to pull this off turned out to demand, in the first place, a particular shaping or reshaping of the artistic style and agendas and sometimes egos of the writers and artists involved.

The drama of this process took the form in 1920s Russia of a fierce struggle between the Communist avant-garde and the so-called proletarian groups of writers and artists.

In this, contrary to widespread belief, the avant-garde was in trouble long before the party weighed in. It believed in creating a new world by liberating the human psyche through art. The main problem was incomprehension on the part of the masses

Writing in 1918 to the journal of the Commissariat of Education, run by Mayakovsky and the Futurists, Marc Chagall, then commissar of culture in Vitebsk. complained that when he had local futurist painters decorate the city with their work for the first anniversary of the revolution, the response from workers was: "What's this? Please

explain. Is this art?" The proletarians - whose name sprang not from their origins but from their professed aim to create a new art that served the working class - laid stress on an

ohn Connolly, Ireland's lat-

est literary phenomenon,

was sticking to mineral

water this week as the Irish

book trade gathered in Dub-

lip for the launch of his novel.

ladimir Mayakovsky, accessible style that drew on the Russian tradition. And cultivating themes close to the experience of their intended audience, they thrived.

Among the avant-garde, it was Mayakovsky, originally a magnificent lyric poet much valued by above all to break through to the masses by radical shifts in the style, content and range of his

1919, he published 150.000,000, a poem on the civil war in the tradition of a Russian folk epic and considered among his finest post-revolutionary works, not just anonymously, but with the opening lines naming the Russian people - the hero in the title - as also the author.

The same year, he went to Self-murder had featured several times in his

conversation and in poems going back to 1916

work for the Russian Telegraph Agency on agitational posters and poems, which he designed and wrote for the next three years. This was followed by a period of doing the same kind of work for state enterprises, battling for customers in the free retail market born of Lenin's New Economic Policy.

Typical was the verse, with a punchline he used in all his advertisements for the state grocery concern, Mosselprom, which read: "Cooking oil Attention working masses; Three times chasper than butter/ More nutritious than other oils/ Nowhers else as at Mosselprom.

Mayakovsky saw this not as just a way of making money, but and the promotional poems not as doggerel, but the stuff of pride. Nothing he did, however, including his long oulogy of Lenin on the leader's death in 1924, and his epic celebration of the Bolshevik Revolution on its 10th anniversary in 1927, stopped the attacks on him, mainly from the proletarlans, for being an individualist remote in his concerns and style from the masses.

But If Mayakovsky worked hard to reconstruct himself, what brought him down was mainly the effect of the proletarians takhands. In the so-called cultural

revolution precipitated by the launching in 1928 of Stalin's breakneck industrialisation campaign, the leaders of RAPP, the Russian Association of Proletarian Writers, felt empowered to act as the party's bully boys to proletarianise not just literature.

"The reconstruction of society was to be accompanied by a reconstruction of writers themselves," says David Shepherd. professor of Russian at Sheffield University, and co-editor of Russian Cultural Studies. "The word used was perestroika, wheeled out at various times in Russia to indicate a restructuring of society. or a restructuring of its indi-

It was this restructuring by RAPP that Mayakovsky managed to bring on himself, by writing two brilliant satirical plays that proved red rags to the organisa-tion, and then trying to make peace with its leaders.

His sense of the value of the acrifice he had made for communism remained unshaken.

"I/ subdued/ myself./ setting my heel/ on the throat/ of my own song," he wrote in 1930 in what was to be an introduction to a long ode to the Five Year Plan. "Listen,/ comrade of posterity/ to the agitator,/ to the rabble-rouser . . ./ I'll join you/ in the far communist future.

But when, in February 1930, Mayakovsky applied to join RAPP, thereby isolating himself from his avant-garde friends, he found its leadership hold was, in effect, a trial over his intentions. He then faced a deeply humiliating series of meetings aimed at his re-education. The process was not yet complete when, on April 14 1930 in his office in central Moscow, he pointed a gun at him-

self and pulled the trigger. "He was a born rebel, an iconoclast. He would surely not have survived the 1930s," says Patricia Blake. "He may have had some presentiment of that, and in that sense you can say that he took his execution into his own

Mayakovsky's reconstruction. In December 1935, after Nikolai Bukharin, the Bolshevik luminary heading for an ugly end in the 1937 show trials, had made some cautionary remarks about Mayakovsky's stature. Stalin issued a statement that was given front-page treatment in the Soviet press. It said: "Mayakovsky was and remains the best and most talented poet of our Soviet epoch. Indifference to his memory and his work is a

A year after the first arrests of Stalin's Great Terror, this set off Buttling for the communist oustomer: Visclimir Mavakovakov. In two 1924 portraits, with an poet in history has enjoyed. A foot of his statue in Mayakovsky

named after Mayakovsky, with his prophetic statue to dominate the first and his huge head the second, followed by streets and squares across the land, as well as locomotives, tractors, tanks Komsomol and shockworker brigades, while his communist posms took pride of place in the educational canon and in the repertoire of achool and enterprise

Boris Pasternak who, while rejecting his political poetry, had been a good friend of Mayakovsky's and spoke of his lyric verse as "poetry moulded by a master, proud and demonic and at the same time infinitely doomed", called this process the poet's second death.

square in Moscow and a Metro

station then being built were

But the rebel returned. In the late 1950s, crowds of young Rusa canonisation such as no other sians began to congregate at the

Square, and recite his poetry as

"Out of all the officially approved classics, he was the only one different," says Andrei Zorin, Moscow critic, and chairman of the 1996 Russian Booker Prize judges. "But literature was

By the 1980s Mavakovsky seemed the troubadour of a disaster for Russia

than also very much a political matter, the only means of

expressing opposition." And in politics, after Stalin's death in 1963 and his denunciation by Khrushchev in 1956, the than the striking hostility this

push for liberalisation in the face of a still overwhelmingly. Stalinsystem harked back to Lenin and the early Bolshevik years. with Mayakovsky and the avant-

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The oppositional wave, however, went on to engulf Mayakov-

The Rebirth of Mayakovsky. written in the 1980s by Yuri Topchievsky - significantly, a member of the generation that had gathered under Mayakovsky's status to protest - but only pub-lished after Mikhail Gorbachev's period of Giasness, attacks the poet for his politics and the poetry it spawned. By then, the idea that the evils of the Soviet system were rooted in Lenin and Bolshevism itself, had taken hold, and Mayakovskay had come

to seem the troubadour of a disaster for Russia. Maybe worse for Mayakovsky

akovsky, as well as his heirs like Yevtushenko, are out of fashion, says Zorin. "Their whole tradition now seems artificial." That could bury Mayakovsky

provoked, is the indifference

as the embodiment of the spirit of the communist revolution, a third time. But perhaps, who the political encrustations have all fallen away, Mayakovsky, the lyricist celebrated by Pasternak and other contemporaries, will come back to life again. There's

reason to believe he could. "I recently taught a course on Russian literature at Stanford, and had to include Mayakovsky," recalls Zorin. "So I had to read him, which I hadn't done for many years. I was astonished at what a good poet he was." Paul Neuburg is presenter of

The Red Flag and The Red Mask, a series on communism and the arts starting at 9.15pm on Monday on BBC Radio 3.



John Murray Brown on an Irish journalist's non-Irish thriller which has all of Dublin talking

"Bird" Parker, a New York police In a country where many officer, who comes home after a drinking binge to find his wife believe themselves capable of being the next James Joyce, it was inevitable that Connolly's and daughter brutally murdered. record six-figure publishing con-Wracked by guilt, he leaves the tract would put a few noses out force and sets out to track down of joint. Books Ireland, the publishing industry Journal, had disthe killer, a search that pits him against organised crime bosses and takes him to the murky missed his efforts as "cumbersome". The characters, it said, were "under-developed" and underworld of steamy Louisiana. Connolly writes fluently. He is irritated by suggestions the book lacks lyricism. "I think there are Connolly's style suggests an plenty of solid lyrical patches, which distinguishes it from to be literary or popular but certainly can't pull off both". Clearly there was some local American writing, which tends to be more spare in its style."

handed."

As for the killer's gruesome

To research the plot, Connolly

made repeated short trips to the

envy at the amount Connolly negotiated with his publishers, the biggest for a first novel by an Irish writer. Hodder & Stoughton paid £350,000 for the worldwide rights to the book and its sequel, which Connolly is completing. In the US. Simon & Schuster paid \$1.1m for the one book, with an option to buy the follow-up.

Rival publishers said the deal graduate. was just part of a cynical branding of Irish talent. But grudges connected, spotting connections between things that are unlikely were to be expected, says Connolly, a 30-year-old literary yet are there - that is what metaunknown who, until last year, was earning about £10,000 a year starts to make those sorts of conas a freelance journalist with the nections. It runs through the Irish Times. book. I hope it's not heavy-

There is actually nothing "Irish" about the work. The only reference to Ireland is to a whismethods - a deliberate re-enactkey the main character likes to ment of the flaying techniques of drink. Every Dead Thing is, in renaissance medical books - Confact, a crime thriller set in the nolly says: "What you see is the US, which consciously invites aftermath of violence. I never comparison with authors Ross describe crimes actually being MacDonald - a favourite of Concommitted."

The story opens with Charlie US, while holding down his Irish said that one of the great curses



On other occasions, the ideas were recorded on whatever was to hand - a zoo ticket or a torn-

out page of a telephone directory. "As a journalist you're used to going in in the morning and not knowing anything about a subject, and looking intelligent the following morning when it appears in the paper. It's been character was growing up.

Times job. He filled dozens of of a young writer is that you from a book. You have to find something I did in the evenings notebooks with snatches of dia- write what you know. But actulogue caught on buses or in bars. ally if you do enough research you can know about anything." He became an expert on US

firearms, on policing, and on the flora of the Louisiana swamps. Authenticity - not so much plausibility - is the work's hallmark. Researching a setting, he would try to find someone who knew what the town was like when his

someone who was there at the time, who can tell you what stores there were, when this bar was built, when this church burnt down." Connoily adds: think people who tell you about "You should always write for the one or two people who would be

able to spot your mistakes." Completing the manuscript was a sort of endurance test at first. "It was conceived as something that I wanted to do for frustrated writers deep down." "it's something you can't get myself. For two years it was just

to amuse myself."

He says no one, apart from two or three close friends, even knew he was working on a novel. "I their novel-writing aren't ever going to write one. It's better just to keep your head down and keep quiet and just do it. I mean everyone on a newspaper has ambitions to write a novel. We're all It might seem odd that an Irish

writer should choose to write US detective fiction. But Connolly says it is part of a well-established tradition.

"You've got people like John Ford, who was to all intents and purposes Irish, creating this myth of a [American] West he had never seen. Throughout Hollywood history, you have these emigré European directors coming in creating these wonderful visions of Americana."

Connolly jokes now that he had to turn to the Writers and Artists Year Book for advice on how to get a publisher. He first submitted sample chapters to 30 literary agents and publishing houses.

He was tiatly rejected by publishers. One even added at the publishers. He was flatly rejected by six hand-written note at the bottom of the rejection slip pointing out why the novel was so bad. A year later, the same publisher was bidding along with others at auction for the completed work.

Connolly received nothing by way of advance. Indeed, his agent, Darley Anderson, advised him to hold out until he had completed the book.

"Our whole relationship was conducted on the phone until September or October of that year, so that for seven months I was sticking with the word of someone I had never met. I just bundled all the money I had into it. I took out loans. I extended my Credit card."

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P. L. Benney

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He made one final six-week trip to the US to pin down the missing research. "I even dragged my poor girlfriend around New Orie-

ans at the height of summer." As a result of the hype, a lot is expected of the novel. In an unusual move, the publishers are offering to refund the £10 price if it is "not the most terrifying book"

since Silence of the Lambs"... This reader was not disap

معكذا من الملصل

# The robber baron's gift

Why did coke king Henry Frick leave his art collection to the US nation? asks Richard Lambert

among his matchless collection of pictures. Painted some time after his death. it shows a gentle, courteous man, with a kindly expression and a well-trimmed beard. He stands a little hunched, looking rather

This is the same Henry Clay Frick of whom a business partner wrote: "He was a thinking machine, methodical as a comptometer, accugate, cutting straight to the coint ... He had no friends and was a very unhappy man...was cold blooded, ignorant of everything except the steel and coke business ... was cold and Poignant recollections of the austere and unlovable even in his family; ruthless, domi-

tions about Henry Frick. How was it that a man who was regarded like this by even his closest associates came to build an art collection that is universally loved? And why did a man who spent his life ignoring nublic opinion leave his precious collection to the nation

hangs in pride on New York's Fifth Ave-

A new biography by a great granddaughter, Martha Frick Symington Sanger. attempts to provide some of the answers. Drawing on family memories and private diaries and letters, she provides what is certainly a fresh perspective on a man who in most respects was one of the least attractive of America's late-19th century robber barons. Two main themes run through her story, one more persuasive

The first is that Frick's

than the other.

personal life was darkened beyond measure by the tragic and lingering death of a beloved young daughter. child recur right through to his own final days. Sanger's second idea is that Frick's love of his paintings can be explained in terms of his memories and dreams, Almost all of them, she sug-gests, carry references to his own experiences, whether in similarities to the lost child, general family likenesses, favourite peta - just about

Neither of these themes.

answering the big questions about Frick. There was, after all, precious little joy in his life even before the death of the infant Martha in 1891. Born in modest circumstances in 1849, Frick

HENRY CLAY FRICK: AN INTIMATE **PORTRAIT** by Martha Symington Sanger

Abbeville Press \$50, 599 pages

had fought his way to immense wealth in the toughest of industries coke and steel - by the 30. He had already earned himself the reputation as the most brutal of strike breakers: his company's security thugs were, it was widely believed, issued with "shoot to kill" orders against rioters in 1889, and there was nothing out of character in the incldent that was to earn him national notoriety,

On that occasion, Frick ant in 500 armed Pinkertons against the disaffected work-

along with seven strikers. restored with the help of 8,500 members of the Pennsylvania state militia.

.Some of Sanger's theories about what Frick saw in his seriously. Take as an example one of the greatest works of the collection, Rembrandt's "The Polish Rider". Not only does it apparently contain many references to early days in the coke industry and to Frick's interests as a Mason. We are also asked to believe that the rider himself is a dead ringer for another of his daughters. Helen. Fortunately, the book is beautifully produced, and contains more than enough gorgeous reproductions to compensate for these trials.

Sanger skims over how the paintings were acquired, and the extent to which Frick was influenced by others in his choices. She claims that he never liked the dealer, Joseph Duveen, and was so suspicious of him that he always had a secretary pres-

able, given the degree to

portrait in that great public building however, are much help in force; three of them died, which Duveen influenced among other things, he chose the architect and the decorator, along with the paintings for the stunning Fragonard and Boucher rooms. What seems clear is that Duveen and others helped to shape Frick's enthusiasm, steering him away from an early interest in rather soppy French conmuch more impressive - and expensive - old masters

which we see today. There is no doubt that he really delighted in the art that his immense wealth enabled him to assemble. Unlike most of the other robber barons, he did not look on his collecting as just another way of scoring points, a thing that people enough money. And in the end, it was to transform the old boy, at least in terms of gentle looking creature which visitors to the sallery

In the words of Duveen's biographer, "Steel strikes and Pinkerton guards van-



# Without the music, the Master is lost

**Clement Crisp** argues that a compilation of the lyrics of Noël Coward is a self-defeating exercise

behind Noël Coward. theatrical lady darted forward and gasped "Good evening, Master". I half death. In the half-century expected Coward to turn that intervened he wrote round and tall her that her faith had made her whole.

That Coward was a brilliantly gifted man of the doubt, and the 1999 cente- language and consciousness. spective. But I am not persuaded that the lustre that surrounds his name - so eagerly burnished by Cowardolaters who run the cottage industry that still flourishes in books and television programmes about him - can ever justify turning what was once a light-hearted tribute to his manifold abilities into a serious title.

Assembling what is, we are led to believe, the almost complete collection of his song lyrics is just one manifestation of this curious obsession. Barry Day has trawled theatre collections and delved deep in archives to find the least little lyric as well as the great hits. His book is handsomely designed, amusingly illustrated with photographs and drawines and pages of Coward manuscripts, from the earliest theatrical years iconic images (Coward and Marlene Dietrich leaving a theatre and looking like glamorous tortoises).

ars ago I was leav- unlikely "Baseball Rag", set haunting "Never Again") ing a theatre just to music by the repetitively named Doris Doris, His final As he passed by, a verses were for a Broadway version of Blithe Spirit in 1964, a decade before his some of the most beguiling and haunting of popular songs, and provided lyrics that, in a few and extraorditheatre can never be in nary cases, have entered the nary of his birth will provide of our society. ("Mad Dogs the supreme example.)

> NOEL COWARD: THE COMPLETE LYRICS Edited by Barry Day Methuen £30, 352 pages

But, and this is central to his success in the musical theatre, he was a melodist first, a versifier very much second. "Don't write all the lyric before the music" he advised Sandy Wilson. "The lyric imprisons the melody. Let the music be free. Divorced from their wellshaped, insidious tunes, his lyrics lie hapless on the page in - for the most part - sad disarray. To read, baidly, Happiness that must die, | Melodies that must fly. Memories that must fade, ! Dusty and forgotten by and by, is to miss everything that these words mean when they are rightly placed in the musical context of "I'll see you again". The melody carries everything on it, before it. Coward could dare to rhyme "moon" and "soon"

takes the lyric onward - and upward. Even in "Matelot", where the melody verges on artfully tied into the lyrics (which scale no heights either) that the song made tremendous sense in the Here is the problem with

this assiduous and, I fear, self-defeating compilation. Without the music, most of a proper occasion to place and Englishmen" is probably can be amused for a few of the text - as in "I want to a marvellous party" when Dear Cecil arrived wearing armour, Some shells and a black feather boa - but we have to remember, too, that these songs were often carried by much-loved performers, and such stars as Yvonne Printemps and Beatrice Lillie, Gertrude Lawrence and Coward himself. could have made the Zagreb telephone directory a thing of theatrical joy. Without music, without loving performance, this pious collection is just that. Far better to have celebrated Coward's songs, words and music inalienably together, and produced a series of compact discs containing every available original cast recording. As things depressingly are, the volume is ideal only for those who want to brush up on the lyrics so as to keep the room in a roar with impersonations of the Mas-ter singing "Mad Dogs and Englishmen" or "Don't Put your Daughter on the Stage, Mrs Worthington". Not 1916, and include the because the music (in the really justification enough.

#### enry Bech (b. over-interviewed and under-fulfilled novelist afirst imagined by John Updike in Bech. A Book (1970) - in which he was fed to the 1960s equipped with writer's block, thinning curly hair, selected modes of sexual regret, and a heavy schedule as cultural ambassador to Russia, Bulgaria, Romania, even Virginia.

In his first collection of stories, Bech was established sympathetic, mildly unprincipled, seriously woman-loving, curiously light of personality, and essentially incomplete -

even in his self-concern. He returned, as we thought he might, in Beck is Back (1982), to do time in the 1970s. More trips - to Ghana, Venezuela, Korea, Kenya, Tanzania ("Bech Third Worlds It"), Australia, Capada, Israel, Scotland ("Macbech") - more women, more block. A marriage entailed a move to Westchester County and stepfatherhood. There followed, at the end of the

#### Swept up in a secular vision of nirvana decade, a late best seller ("Think Big"), sex with his sister-in-law (former girlfriend), marital separation, and reversion to the Upper West Side of his

ancestors (at least one generation of them). And that, we supposed was the end of Bech, still childless, still unclear, a man made to amuse us detached from life as if by tragedy but with no clear tragedy; a human being with a fluent sensibility harbouring an absence hanging on to triviality in order to stay real, a thinned, WASP-crossed blend of Mailer, Bellow, Singer, Malamud, Roth, Salinger (Bech's own list in Bech: A Book: oddly he forgets Heller, with whom be

shares time at NYU after the

So no one expected to hear more of Bech, least of all

Bech: "For some years now

Second World War, under

the aegis of the GI Bill).

Bech had felt his author wanting to set him aside, to forever". But here is Bech at Bay, a "quasi-novel" in five time-slices that carries him way into the sixth age of man (on the Jaques index) and leaves him on the edge of Y2K, a first-time father at 75, a massively resented Nobel Prize winner whose quickfire "falling-in-love apparatus" (an interesting male trait from the point of view of evolutionary

psychology) is still

tiresomely operative.

Updike takes him up again in 1986, back behind the Iron Curtain in "Bech in Czech", more heavily aware of the Christian past and the Jewish dead around him; suffering the "romantic vertigo" of solitary travel. a deposit box for details. The book then tracks him into his eighth decade, with a backflip to 1972 Los Angeles (Updike, prone to

anachronism, fills Venice Beach with rollerbladers) the villainy of the law, "so oddly swivelled in every direction but that of the simple truth".

By 1991-3 Bech is living funkily downtown in a loft on Crosby Street south of Houston, still parodically male, unreal about women ("you can, through chinks in the male armor, feel a fraction of the bliss that must tumble in upon them all day long"), writing polyedged tributes for Festachrifts as his contemporaries hit 70, then

receiving them himself. Eighty pages long, "Bech Presides" treats in equal measure of ageing artistic rivalries and "tits pussy hips navel armpits". Lovely Updike seemed touched, in this clever olfactory story by hyperosmia, as Bech, beset by "whiffs", "aromas" and nells", "scents sex!" in

the unsmiling person of Martina O'Reilly, in her her "scents of apples rotting", her "zephyrs of carnal odor", her "tang of overwhelming goodness", not to mention her old-fashioned plain white

Fiction/Galen Strawson

**BECH AT BAY** by John Updike Hamish Hamilton £16.99, 256 pages

bikini underpants". On to 1997: "Bech Noir" is broodiness. 74, still living on Crosby. his disphliging memory serving up old, sour reviews of his books word for word. He feels "a creamy satisfaction" at the news of one critic's death, and wonders whether he might not terminate a few others himself. Like Ben Turnbull, the protagonist of Updike's previous novel Toward the End of Time (1997), Bech

knows his time on earth is short. He is tired of the reviewers' "barrage of querulous misprision". He is growing more deeply irresponsible both physically and verbally, and he passes from the intention to the act without a shadow. dispatching two of his unforgettable critics with a septuagenarian malice that

thrills Robin, his "post-Jewish" mistress one-third his age, into active collaboration, serial orgasm. and gelatinous eyed Hence baby Golda, filling the Crosby Street loft with the "spicy smell of ochre

babyshit" and delighting his eyes with her little "tooth-bothered mouth". She is eight months old in 1999 when Bech, in "Bech and the Bounty of Sweden", takes the Nobel Prize in the face of "Mailer, Roth, and Ozick, not to mention Pynchon and DeLillo".

Updike fails us in omitting his own name from this New York Times list of the passed-over. (It has already featured in *Bech at Bay* in a list of Johns - Irving, Fowles, O'Hara, Barth, Hersey, Cheever, Updike -whose work Bech doesn't like). He should bave named himself; it's not often that realism and cheek both indicate self-reference. It didn't require machismo. only verismo, and handsome-prosed Updike, his movements of excess so knowing and controlled, his half-true epigraph from Wallace Stevens "Something of the unreal is necessary to fecundate the real" - taking a page to itself at the front of the book, was well covered.

was unreal.) Bech's years mask but do not fill his vounger

omission of his name that

(It is open to him to

reply that it was the

incompleteness, which stems partly from his author's (self-confessed) inability to imagine his Jewish inside. But the imaginative deficit is nothing next to Updike's happy inability to deprive his protagonist of the astonishing, character-smuggling output of his (Updike's) own generalisations about human existence can be dazzlingly foolish ("all the forces that create us must, in our instinctive self-approval. seem benign"). He does not show us the depth of life, in his foxy phrasal joy. But he is quite brilliant at the surface, a great lamenter of modern loss, of "orchards gone under to malls", a man swept upon in his own secular version of nirvana, "the timeless bliss when pencil point touches paper and makes a mark".

It's good that he still has to write at least six more novels in order to complete the set of 26 (one for each letter of the alphabet) that he promised us - or rather himself - early in his

# The Nile, via the Mountains of the Moon

A fascination for the Victorian adventurer Sir Richard Burton sent Christopher Ondaatje on a journey of discovery

"His dress and appearance were those suggesting a released convict...a rusty black coat with a crumpled black silk stock, his throat destitute of collar, a costume which his muscular frame immense chest made singularly and incongruously hideous, above it a countenance the most sinister I have ever seen, dark, cruel, treacherous, with eyes like a wild beast's. He reminded me of a black leopard, caged, but unforgit-

Wilfred Blunt, describing Sir

century I have been fascinated with Sir Richard Burton, the great Victorian adventurer. His very name conjures up images of adventure, and he seemed to have lived the life I always wanted to lead. Eventually, Burton's search for the source of the Nile with John Hanning Speke contributed to his being the best-known traveller of the 19th century.

Burton was an outstanding orientalist, archaeologist, linguist, anthropologist, and a controver-sial diplomat. In over 50 books he covered an amazing diversity of subjects, and his translation of the Arabian Nights remains the most famous ever published. His remaining papers were burnt by his widow, perhaps one of the most destructive crimes ever perpetrated on the literary world.

"I find my journal brimful of enthusiasm. Of the gladdest moments in human life, methinks, is the departure upon a distant journey into unknown lands. Shaking off with one mighty effort the fetters of Habit, the leaden weight of Routine, the cloak of many Cares and the slavery of feels once more horne The blood flows with the fast circulation of childhood . . . A journey, in fact, appeals to Imagination, to Memory, to Hope - the three sister Graces of our moral

Richard Burton, Zanzibar. in the late 1980s. I shed all my business interests and embarked on an enigmatic life of adventure and writing. Since then I have written four books, and the latest, Journey to the Source of the Nile, traced journeys of the mid-19th century explorers who strove to solve the riddle of the world's longest river. Where did all this water come from?

Africa in the early-19th century. explorers who paved the way for colonisation until, 100 years later. the enormous continent was ruled by European powers. Now, Africa seems again a great unknown, gripped by political turnoil, wrestling with huge economic and environmental chalnges, struggling to emerge from the long shadow of colonisation.

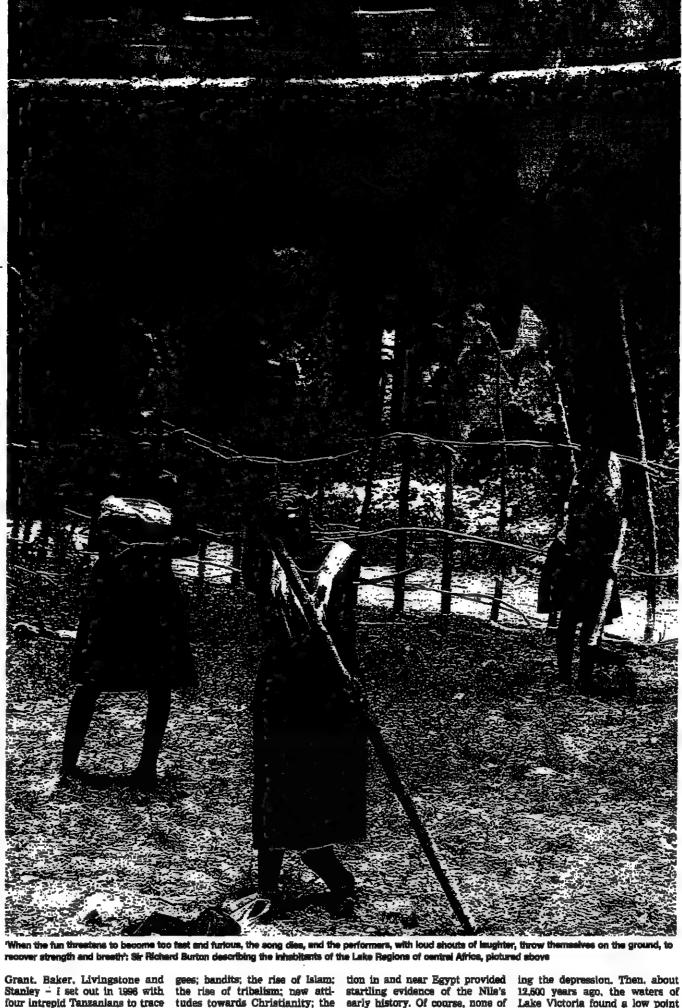
in the 1840s, missionaries in East Africa reported seeing snow-caps on Kilimanjaro and Mount Kenya, and of hearing about a arge lake further west. The Royal Geographical Society sent Burton to investigate in 1856. He thought this lake must be the source of the Nile, and set out from Zanzibar to find it. Burton and his companion, John Hanning Speke, were the first Europeans to see Lake. Tanganyika, but Burton never saw the source of the Nile. On their return journey, however, Burton allowed Speke to lead a small expedition

Were Speke's claims that Lake Victoria was the source of the Nile accurate? There was only one way to find out

from Kazeh (now Tabora), and changed history. On August 3rd 1858. Speke reached the summit of a hill near present day Mwanza, and wrote: "I no longer felt any doubt that the lake at my feet gave birth to that interesting river (the Nile), the source of which has been the subject of so much speculation, and the object of so many explorers."

But were Speke's claims that Lake Victoria was the source of the Nile accurate? Where did the Ruwenzory Mountains, the famed Mountains of the Moon, fit in? And what about Samuel Baker's claims about Lake Albert? Where did all the water for these two significant lakes come from? What about the Kagera and Semliki rivers? There was only one way to find out. And so, armed with the jour-

nais and maps of all the Victorian explorers - Burton, Speke, Africa eventually caused: refu-



the Victorian explorers' journeys and to settle the Nile for myself, just as 140 years ago each of them had set out to do. I had no idea what I would find, but I 19th century explorers had failed knew instinctively that more than a river had been born in the

geological cradle of the Nile. What I quickly realised was that I was not only stepping into information fascinated me: it a giant figsaw puzzle created by my predecessors, but I had to subject myself to all the horrors that the European scramble for

blurring of white man's boundaries; and the stark realisation that I would have to step over the line into territories that even the

diorama illustrating the drainage of Ugands. The accompanying explained something of how plate tectonics affected the Nile, first seriously proposed only in the 1960s and not generally accepted

to enter.

this information was available to the Victorian explorers.

Over millions of years, rift valleys formed in Africa as land sank between parallel faults. This pushed the edges of the rift valleys up into escarpments. Lakes formed in the bottom of the rift valleys, collecting water that used to drain away to the west. The rifts also formed a shallow bowl around what is now Lake Victoria, Rivers that flowed west, notably the Katonga and the Ragera, now flowed east, fill-

Lake Victoria found a low point at the north edge of the basin and finally established, at Ripon Falls, a permanent outlet down to the western rift valley at the north and of Lake Albert - and a

connection to the Nile. This phenomenal information solved several puzzles for me, Speke's claim that Lake Victoria is the only source of the Nile, is wrong: but it is one of the two great reservoirs, the other being Lake Albert. And the rivers - the Kagera feeding Lake Victoria, and the Semliki feeding lake

- are the two main sources, draining the watershe of the Burundi Highlands and the Ruwenzori Mountains - the Mountains of the Moon,

In terms of time, our safari measured months instead of the years it did for the Victorian explorers. In terms of distance travelled, however, we had done quite well. It was the journey Richard Burton should have made. We had covered a total of 10,024 kilometres - roughly equivalent to one-fourth of the world's circumference at the equator - and one and a half times the length of the Nile. We had traced the routes taken by the greatest Victorian explorers. We had followed the trail of Burton and Speke's 1857 expedition from Zanzibar across Tanzania to Lake Tanganyika. We had retravelled the route of Speke and James Augustus Grant along the western and northern rim of Lake Victoria to Ripon Falls a

I now know. that Africa will always be a mystery. And the Nile will, I am certain, suddenly find a way to puzzle us anew

the start of the Victoria Nile. We had followed Samuel Baker's journey along the Victoria Nile westward to Murchison Falls and Lake Albert. We had reached th the Ruwenzori Mountains, th legendary Mountains of the Moon. We had seen the Semilid River and Lake Edward and Lake George, as Henry Morton Stanley had. Finally, we had finished cir-cling Lake Victoria through Kenya, travelling southward along the eastern shores to Mwanza for a second time.

There was one more startling revelation to come, however Driving south from Loliondo across the great short grass plains of the Serengeti, we passed through Olduvai Gorge. About 2m years ago there was a large shallow lake here. Rift-related faults released the water. Savannah-adapted animals replaced swamp animals. Fossils of three hominids have been found in the gorge. It is possible, therefore that the stream of bumanity may have a single source in this ar similar parts of Africa forced into the rain shadow. The latest (and ongoing) rifting process altered the climate of this region, allowing new species to evolve unde pressure of natural selection To the west, forest remained, but the area to the east became savanna. The precursors of homo sepiens were forced to devise new ways of surviving. Mar-Leakey's amazing discoveries in Olduvai Gorge in 1959 led to this theory, which now views Africa as the cradle of the human race. Thus, the evolution of our ancestors may well have been triggered by the very same geophysi cal events that formed the present headwaters of the Nile.

I now know that Africa will always be a mystery. And the Nile, just when it seems to have revealed all of its mysteries, will. I am certain, suddenly find a way to puzzle us anew.

Christopher Ondaatje is the author of Journey to the Source of the Nile (HarperCollins World,

and Lendval is not the only central writer to have lived through both Nazi and Soviet-inspired terror. Unlike some others, he experienced neither Auschwitz por Siberia and he was spared the greatest horrors. However, his reading: its value lies in Lendvai's ability to recall the everyday effects of totalitarian rule + and in his courage in admitting to his own weaknesses. This is not the tale of a hero, and is all

# An everyday tale of Communist folk

This autobiography is all the more compelling for not being a heroic story, argues Stefan Wagstyl

conscription had interrupted

one day, the unit's sergeant

took Lendval on a short

fact been assigned by

walk and warned him that

his journalist friend had in

painful passages, Lendvai describes how, as a young conscript in the Communist militia, he inadvertently betrays his sergeant to the secret police. As a Journalist, irritated that

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his career, he had teamed up with another journalist in his unit. It seemed to Lendvai that he had everything in common with this fellow intellectual, as opposed to the farmers and workers who made up the rest of the squad. However,

> counter-intelligence to spy on Lendvai. The sergeant asked Lendvai not to share this news with anyone. But Lendvai did. He told the ionrnalist-informer himself. As he writes, "I have since asked myself time and time again how I could have been so stupid. I cannot reconstruct today what went through my mind at the time." Later, when Lendvai

was himself arrested, a

secret policeman told him

that the sergeant had been "taken care of." Lendvai, who enhaequently worked as a Financial Times correspondent for 22 years, starts his book in 1944. when the full force of Nazi terror was launched on

Hungary's Jews. One moment he is a teenage box supporting Ferencearos, his football team, and the next he is staring death in the face. He was arrested and assigned to forced labour before he managed to escape and hide in Budapest.

BLACKLISTED: A JOURNALIST'S LIFE IN CENTRAL EUROPE by Paul Lendvai IB Tauris £24.50 256 pages

He survived, thanks to a protective passport issued by Carl Lutz, the Swiss consul, one of the four people to whom the book is dedicated. The others are three more saviours of Budapest Jews - Giorgio Perlasca, an Italian businessman who passed himself off as a Spanish diplomat, Angelo Rotta, the Papal nuncio, and the legendary Raoul

Wallenberg. After the war, Lendvai whole-heartedly committed himself to the Communist cause. He does not flinch from describing his role working for the party's official newspaper, in a

band of "enthusiastic fighters in the class friends on the loft were arrested and denounced Lendvai savs his own anthusiasm was undimmed. Others might be nbarrassed to write so honestiý about their faith in Communism in the light of what is now known about performs a service in bringing to life the spirit of

He also deals well with the onset of disillusion, his "political errors", his expulsion from the Communist party and arrest. Despite his humiliation, he accepted re-instatement into the party because there was no journalist. After the tumultuous 1956 uprising, he had a decision to make and chose to flee to the west, like thousands of other Hungarians.

After establishing himself in Vienna as a specialist on central European affairs, Lendvai worked for the FT and other publications before becoming editor-in-chief of ORF, the Austrian Broadcasting Corporation. The book's post-1956 chapters are inevitably less dramatic; however, there is an entertaining passage on how he bought freedom to the west for his widowed . mother by organising a night at a Viennese stripshow for a visiting Hungarian Communist

Fiction/Christine Pountney

## Odyssey falls short of its destination

ously difficult to write "the second book" especially if the first was a great success. David Guterson, author of the bestselling debut novel, Snow Falling on Cedars, must have been under immense pressure to reproduce the popularity of his former book. However, such pressure can be creatively stifling, and East of the Mountains strains under the veight of great expectations.

The story itself is thin, the mere framework of a house without walls. What protects and insulates the house is an inordinate amount of neutral description: details of the landscape, regional flora and fauna, medicine, hunting, Italy during the second world war - you name it, the author has it covered. If the long, often superfluous descriptive passages were edited out, the novel would stand at a quarter of its present length. One has only to for its own sake, and not as read the long list of acknowledgments to understand the extent to which Guterson drew on the expertise of researchers and specialists It is almost as if the author to bolster his story.

opinion that research is avoiding the deeper emo-

t is said to be notori- serve to further the plot, or enable the reader to have a deeper understanding of the characters. If it doesn't, then the writing feels fractured divided between the story on one hand, and expository facts-of-interest on the other. In his 1919 essay on Ham-

> EAST OF THE MOUNTAINS by David Guterson Bloomsbury £15.99, 279 pages

let, T.S. Eliot wrote that "[t]he only way of expressing emotion in the form of art is by finding an objective correlative; in other words, a set of objects, a situation, a chain of events which shall be the formula of that particular emotion; such that when the external facts... are given, the emotion is immediately evoked." The reason most of the description in Guterson's novel doesn't work is that it exists a means of either shedding light on the character's state the atmosphere of the story. uses description in lieu of

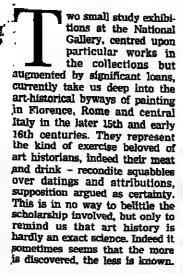
coming to terms with the

idea of his own death. East of the Mountains is about Ben Givens, a retired heart surgeon dying of colon. cancer. All too aware of the physical deterioration that lies ahead, and unwilling to put his family through the ordeal of watching him die, Ben sets off on a hunting trip to stage his own suicid

Needless to say, even before he arrives at his destr nation, Ben gets into a car accident and the odyssey begins. (There's even ? Cyclops - though it's not one Ben has to fight: his own eye gets bruised in the accident and swells shut.) Over the course of the next few days, Ben is forced to face # series of setbacks, the worst being the theft of his gun. Gradually, however, inspired by the optimism and gener; osity of various yours people he encounters along the way, Ben comes round to a different way of thinking. of mind or contributing to He eventually realises that purpose; that there is dignity I am by no means of the profundity, as a means of but in being the patient not only in being the doctor. anathema to good fiction, tional questions that the yet another gift to bestore well; that in dying he he but specialised detail should story at times demands: and that is compassion.

Messay Christopher Dunkler

مكذا من الاحل



#### It sometimes seems that the more is discovered, the less is known; nevertheless. it is all fascinating stuff

And if it sometimes seems that the last thing to be remembered is the painting as a painting, it is all nevertheless fascinating and entertaining stuff.

Both exhibitions - on Luca Signorelli, a sometime pupil of Piero della Francesca: and Zanobi Strozzi, an obscure follower of Fra Angelico - also raise questions over the gallery's cleaning Policies, for it has been the deaning of particular pictures that has provided this opportunity and excuse. I have no intention of entering into that controversy now, other than to say that it is an argument no-one can ever win in principle, but can only be taken case by case. Should one never clean a picture, ever? Should every picture be kept as fresh as day? Here the Zanobi "Annunciation" (c.1440-45), which in the Gallery's Complete Illustrated Catalogue of 1995 was still given as by "probably ... a close follower" of Fra Angelico, was only revealed as what it is by the signature discovered by its recent cleaning - a cleaning which appears to have been fairly robust, to say the least.

This then is a Zanobi where there was none before - or is it? For with one question answered, others more far-reaching are imediately asked. His "Annun-Ciation" is hung bere for direct comparison between a "Virgin and Child with Grapes" (c.1428). from a private collection, a wonderfully tender yet monumental image, closely influenced by Mas- and the folds of the closk falling accio, and given now with some confidence to Fra Angelico; and a more decorative painting from one is surely by Fra Angelico, the his time. He trained in the work-his ladder, a fragment from a of the Mourning Virgin, again in the Royal Collection, 'The Virgin of Humility with Angels" (c.1440). attributed to none other than the Master of the Buckingham Palace of the shows - for he was hardly Madonna. The stylistic similari- the shadowy figure of Zanobi, ties between the three are unmis- and the Gallery has eight of his takable, and most especially works, including three huge between the Zanobi and the Fra altarpieces and two frescoes - the great "Circumcision" altar- never published nor even exhib-



into the ent-historical byweys of inte-15th century Italian painting: 'Four Standing Pigures' by Luca Signorelli, sometime pupil of Piero della Francesca

# Masterpieces - in anyone's book

Viewing two study exhibitions at the National Gallery, William Packer refuses to be drawn into controversy and just enjoys the paintings

cately revealed parting in the centre of the forehead; the same hatched modelling of the hair around the head and shoulders; the same drawing of the eyes; the other now so obviously by Zan-

With the Signorelli, the larger

obi? Hmmm.

Angelico: the same gentle incli-nation of the head; the same deli-tion than of chronology, though the one thing does tend to lead to the other. Signorelli, though not now so highly regarded as he was a century ago, was a prominent figure of the late 15th and early 16th centuries, and much-adshop of Piero della Francesca in huge "Lamentation" of about private hands and until now the 1470s, and in his own work stands as a bridge between the cool and mystical formality of his master, and the more easy natu-

its theatrical formal setting, the crisp profiles and sometimes flattened, stilted modelling of the principals, and yet the active, natural gestures of the supporting full-length figures.

Only the dates are puzzling. 1505, from a Scottish collection. which stands happily as a robust development within the general oeuvre. But then comes a ravishralism of the new century. We ingly beautiful "Virgin and clearly mark this transition in Child" from a private collection,

though part of a larger composition, possibly a "Presentation". It is confidently set around 1510, and yet its elegiac mood seems more 15th than 16th century, and more Venetian than Florentine. Another fragment is even more unpublished, and set between 1509 and 1515 to keep some options open. Can so vigorous and simple an image be so late? And we go back to the earliest Signorelli in the show, the Gal-

lery's own "Holy Family" of

piece of 1491, for example, with ited before, a standing figure as 1496-90, given to him now with corner, one would hardly believe some certainty. Again it is a lovely thing, the tenderest of images of the holy child at his mother's breast, and it is like nothing else in the exhibition. but can it really be earlier than the 1490 "Circumcision" altar-Child" of 1510? The modelling of the Virgin's head and hands is delicately full and rounded, her painting that takes Signorelli forward surely into another age. Were it set against the "Circumcision", for it is hung around the

Radio

A real

feel for

history

needed

millennia? What puzzles me

is the number of alleged

professionals who let this

performer, director, studio

there nobody in the BBC's

real feeling for

punch-drunk ranks who

gives a damn about

trailer through: writer,

it to be from the same hand. All the great men are sure it is; but, as I say, theirs is no exact science. The paintings are still the respond to and enjoy.

Sunley Room, National Gallery, Trafalgar Square, London WC2, until January 31; supported by whole body sitting comfortably in The Bernard Sunley Charitable the space allowed her. It is a Foundation. Zanobi Strozzi - In the Light of Fra Angelico: Room 1, The National Gallery, until March 7; supported by The George Beaumont Group.

## Television/Christopher Dunkley A shrewd eye for phoneys

series start, each worth watching, so that after seeing a man who asked that taken together they make the for 20 Number Six being given a backbone of a worthwhile evening's packet of cigarettes, he assumed that viewing. Bill Bryson's Notes From A all goods in newsagents were Small Island, a six-part series from ordered by number, Chinese restau-Carlton, screened on ITV between rant style. And he insists that, 7.00 and 7.30, is based on the book early in his stay, he discovered a 7.00 and 7.30, is based on the book that has had - is still having - such sign beside a sink in the British a phenomenally successful run in Museum saying "Casual ablutions" the British best-seller lists. Hostage is a three-part series, shown by Channel 4, between 8.30 and 9.30, telling the story of the Beirut hos-

ev in short desimation

It is hard to imagine a more vivid contrast in content or style, but both The first is charming and highly entertaining, and the second reinforces what has become a powerful tradition at the independent company Brook Lapping Productions. which specialises in scrupulously

detailed recent history. It is hard to resist a man who comes from abroad and insists on telling you what a wonderful country you live in, especially when he proves that, far from being one of those suggestible Americans who go into babbling ancestor worship in front of anything more than 300 years old, he is actually a shrewd and sometimes tart commentator with a bendy eye for the phoney. There was no reason to believe that. just because his books are such a delight to read, Bryson would prove to be a useful television presenter, and yet he is rather more than that. He has a relaxed style and an affinity for the camera that is pretty

Tomorrow's opening programme begins with his description of his arrival in Dover 25 years ago, his fruitless hunt for a bed (we are lucky he did not turn round there and then and get back on the ferry) and a selection of the things he had

evening is going to be a bacon, Belisha beacons, Morecambe time to stay in for a few and Wise, Gardeners' Question Time weeks. Two new factual and Sheffield Wednesday. He claims sign beside a sink in the British only please". I expect he means a

> n Programme 1 he is good on blue plaques, London cabs, and a bizarre system of "pointless tunnels" built under the houses of Liverpool by a man named Williamson. In next week's programme be notes that cricket is the only sport in the world to incorporate meal breaks (has anyone told him you can get four nights' sleep during a Test Match?) and expatuates on Blackpool which, he asserts, gets more visitors each year than Greece, has more holiday accommodation than Portugal, and leads the world in the per capita consumption of chips. Yet it becomes clear that he does not like Blackpool: a fact that somehow makes his coverage all the more ndmirable.

In Hostage Phil Craig, Mick Gold and Tim Pritchard set about the Beirut hostage story with techniques precisely similar to those used in the former Brook Lapping series The Second Russian Revolution and The 50 Years War: Israel And The Arabs, interviewing every survivor of any significance from all the countries involved, and raiding the archives

for newsreel. It is, of course, fascinating to hear the memories of those such as journalist Terry Anderson, who was held by Hezbollah and other terrorist organisations, and from their rela-



Peggy Say, who recalls becoming quite blase about receiving regular phone calls at home from the men's captors.

It is moving to hear David Jacobsen's account of listening to CIA man Bill Buckley coughing and dying in the next cell, and fascinating to be told how the detail of making imaginary journeys around familiar streets can help keep a hostage sane. But the most striking element of the first two programmes is the contrast that becomes apparent between the public and private attitudes of the western powers whose lives, such as Anderson's sister, citizens were kidnapped.

The US. UK and France presented a united front to the world, declaring their determination not to do deals with hostage takers. But behind the scenes the Americans and French were simultaneously hard at work cooking up deals to extricate their own nationals.

The most cynical ruse of all

was the use by the Americans of Terry Waite at the scene of successive homecomings by American hostages to suggest that his activities had achieved the release, when it was actually Oliver North's claudestine arms deals that were doing the the current feverish

here's nothing like facing the future for concentrating the mind on the past. With the new millennium looming, Radio 4 leapt into the history business with the Today poll on the man of the millennium past. The short list was highly un-pc (no women, no Scots), though the inclusion of Cromwell was doubtless a nod to some sort of radicalism. In fact he was trounced,

perhaps a sign of the doubt assailing the Blairite age as to a people's champion who abolishes parliament and who outs to replace the Lords with his own nominees. This despite the callant advocacy of Lady Antonia Fraser who quoted Milton's sonnet to "Cromwell, our chief of men" at the drop of a hat, by an amazing coincidence the title of her best-seller about our last military

A schoolmarmish Anna

Massey anticipated the

fourteen-hundreds". She

meant four-hundreds, but

what's a thousand years in

Anglo-Saxons in "the

preoccupation with

history - that is, a knowledge of how it Tits seamlessly into the present - was evinced in The chirply shallow view of history was nonchalantly Radio 4's Dr Graham's School. Tim Jenkins visited summed up by the morselessly chirpy Lisa Bengali school founded at Jardine (custom-built pundit the turn of the century for for Radio 4: chirpy, the Anglo-Indian offspring of British tea-planters. The academic, all too easy to understand and female) and school still thrives for her like, who laughingly Anglo-Indians, its loving concluded that no lessons principles scrupulously observed, its old boys could be drawn from these sporting names like Frank historical polls, even while and Ginger and accents that pointing out that Cromwell dispensed from guilt anyone we once thought so killing the Irish, as the Irish delightfully entertaining were somehow sub-human. coming from Peter Sellers. Some of us non-historians Dr Graham showed the might have thought this human face of colonial century alone had taught the benevolence. "We never knew our mothers or esson – at Auschwitz, Cambodia, Kosovo and fathers," said one alumnus. Rwanda – against writing explaining the cries of off a particular race or creed "Daddy! Daddy! Daddy!" that as sub-human. greeted the doctor. Its Radio 4 brought back This present principal is called Sceptred Isle, marred by a Lancelot, which seems in bizarre howler in its trailer. keeping with the school's

> fellowship. The one worry is that the Anglo-Indian community may not be assimilated into modern India. One charming septuagenarian excused herself for still being more

ideals of friendship and

Angio-British than Anglo-Indian; but realised that things must change. Given the recent atrocities perpetrated by militant Hindus, now turning on Christians the cruelty previously reserved for their own untouchables, I keep my fingers crossed. This wa a fascinating item about a little-known remnant of the Christopher Reeve, the

actor of Superman, talked to Peter White in No Triumph, No Tragedy, launching a series on disabled achievers The bitter irony of the accident that paralysed him has been extenuated by the actor's courage in battling back against a broken neck Other new series include

For One Horrible Moment, Peter Bradshaw's reading of a modern mock-Gothic childhood memoir set in the Cambridgeshire fens and permeated with the deadpan, black humour that evokes the American illustrator Edward Gorey. Wonderful pastiche, genuinely original (if that's not a contradiction). Other new arrivals include The Patrick and Maureen Maube Music Experience. One of the treasures of ITV's underrated is it Legal? is the exquisitely judged comedy playing of Patrick Barlow and Imelda Staunton, Here they are reunited as a poisonously estranged married couple presenting a truly terrible classical music radio programme - a mix of Kenyonesque populism and Classic FM. The basic premise won't wash: radio has switches, knobs and controls - you don't hear the vicious bickering of presenters, ill-timed intrusions, the bleating of bewildered phone-ins. The radio equivalent of backstage comedy à la Noises Off is almost impossible to conceive. But never mind the plot, feel the

Martin Hoyle

#### ARTS

# Singin' and dancin' into movie history

Nigel Andrews talks to film director Stanley Donen about his legendary screen musicals

versally acknowledged. One, Singin' In The Rain is the best screen musical. Two, "Singin' In The Rain" is the best screen musical

No wonder the film's director, Stanley Donen - that pocket-sized Hercules of the song and dance movie who also made On The Town, and Seven Brides For Seven Brothers (plus non-musical hits like Charade and Bedaztime achievement Oscar last year with a song about bad weather. Not that song, but the one about it being a lovely day to be caught in

The Astaire-Rogers standard goes on about "dancing cheek to cheek", which is exactly what Donen did onstage last March with his statuette, touching the bearts of a billion televiewers across the globe.

"I only sang eight bars," he points out. "They only allowed me a minute for my response to the award. The idea of doing the song came to me one night in bed. I thought, 'What should I sing?' and started humming

He will get more than a minute to respond to acclaim this year. By divine coincidence 1999 is the 75th birthday of both Donen and

mous with song and dance. People in Culver City, hirthplace of the "Ars Gratia Artis" lion, are already barricading their doors against flying champagne corks.

This man may be the greatest ever maker of musicals. He didn't just film the best shows or scores, he invented amazing ways to do so. He made Fred Astaire dance on the ceiling. He made Gene Kelly dance in the rain or with a cartoon mouse or in Cover Girl with his identical double. That last was done, he says, "by stages with black cloth. Each movement of the first Kelly was marked with that day. chalk, then we filmed the second Kelly around them, including the shot was where he jumps over himself." This was in pre-digital 1944 - state of the art or

or all his films` flamboyance, there is little showbizzy or ingratiating about Donen himself. I learned this twice, to my cost. Once was during a recent interview in Hollywood, the other was six years ago at his Beverly Hills home, when I visited him for a 40th anniversary Q-and-A about Singin' in The Rain. Donen doesn't suffer fools gladly, and you sometimes wonder if he suf-

fers anyone gladly. "Oh my god, don't you

quite spectacular, but as a young man I thought them and inhuman. A thousand pianes, now we can do 1,000 bags of cement. Or 1.000 lampahades. I was quite negative about them. But I think ultimately that was very helpful, because it formed my style by giving me something to steer away

After Faying Down To Rio the boy who was already in love with cinema - he had by his father - decided to fall in love with musicals. He Gene Kelly. "He asked me to be assistant choreographer on Cover Giri. Later we directed On The Town

Between the two came

him about the appeal of Cary Grant with whom he made four films).

"I think what you just said is so vague it'd be difficult to agree or disagree." (When I talk airily about the 'through-choreographed' style of the MGM musicals).

"It isn't funny at all." (When I giggle while raising the story of On The Town actor-dancer Jules Munshin. who suffered vertigo while forced to caper debonairly atop the Empire State Build-ing). "I don't know if you have a phobia, but if you do you know that you have no control. Jules was very brave At other times Donen can

be docile, even expansive. He chose that Oscar song, he says, in homage to the man who first filled him with showbiz ambition. Donen was a small child when he saw Flying Down To Rio whose cast contained, in a supporting role, one Frederick Astaire

"I was enchanted by him. Everything he did looked as if it had no effort but just happened at the moment. As I learned later, and it was a great lesson, everything was so thoroughly and exhaust-ingly rehearsed that it just looked like he was doing it as easily as breathing."

The other great lesson was an anti-lesson. Young Donen hated Busby Berkeley's films, those ones where armies of elaborately dressed chorines twiri around, forming parade-ground patterns.

Today I think they're stupid and silly and endless

been given a movie camera ent and that's the joy of it. from telegraph pole to tele-



wall and then across the ceil-

ing, while actually the whole

nearly all Singin' numbers,

in previous movies). I said casually, 'Arthur, we've got

this wonderful idea, Gene's

gonna sing and dance in the

rain.' It was as simple as

that. The pleasure of just

being alive, of being in love.

and having nature hit you in

night scenes shot in studios

graph pole. Black attracts

heat, as you know, so these

ing down on them, and the

We had to do countless

room unit revolved. The Kelly number was - what else? - Singin' In The Rain. the Kelly-Donen marriage was made in heaven or the Like many great things, it other place. Donen denies he came about by virtual made one attributed remark which went "Substitute for the word 'co-direct' the word immaculate conception. "I remember first discussing it with producer Arthur Freed who'd written the song 'fight' and you have it." (which had been used, like

Jerry from MGM's Tom and

Jerry cartoons." Donen oubled for the rodent

during rehearsals. "I was

nicknamed 'Mouse' for ever

Gene and I were very different personalities who found in each other different things we responded to and liked. We weren't always seeing things the same way, otherwise it didn't need us both to direct. So 'conflict'. not 'fight', is the word."

ow, with half a the face." century's lt was less simple to film, hind sight, he explains. "Like most would he compare Kelly's back then, it was done durdance style with Astaire's? ing the day under black tar-"The pleasure you get from paulins pulled over the watching each is quite differ- street. They were stretched Gene was this wonderfully brash Irish-American go-getsuave, gentle mover. It's the difference between sliding across a room and jumping on a pogo stick."

Paradoxically, though, Astaire's best-known dance

Donen had even worse struggles on Funny Face, his and MGM's last indisputably pher hero played by Fred Astaire was based on Richard Avedon, whom Donen wanted to supervise the film's lighting. It became a tables and glued-in-place drawn-out power struggle drapery so that Astaire with the movie's official could appear to dance up the

"The cinematographer was terrified of Avedon, terrified that his authority was being challenged. In my opinion he was quite stupid about it. So Richard and I developed a sign language on the set. If he touched his tie or nodded or scratched his shoulder, it meant he wanted a particular lighting change.

Donen says, when once

"It wasn't funny at all,"

and a miracle the film turned out as it did." As a finale I composed an elaborate question on the death of the screen musical.

I listed aloud half-a-dozen possible contributory factors and then ask the director if the genre's decline is the fault of these. There was a deadly beat of silence. "Is it the fault of

what?" I made a second attempt. Donen paused. lightly frowning, unscramble. Then he launched patiently on a reply formed from 60 years' experience. "I don't think I the MGM musical back then years. Maybe that'll never was peculiar to the

again I gave a rash chuckle. time, in the same way that the Impressionists worked "It was a hellish situation together and then disappeared, never to be repeated "Also part of it is circular,

so there's nobody to make them. If we had a continuing tradition, a work in progress of making song-and-dance flims, there'd be tons of people to do it. They'd be trained up from childhood as we all were. Performers like Garland, Astaire and Kelly, writers like Gershwin and Irving Berlin, they did it from their youth. And producers like Arthur Freed knew everything about music yet never discouraged can give an absolute answer. you from trying something There may be something in new. They were amazing

Musicals are not being made,



"Dancing cheek to cheek' with his Oscar last year: Stanley Donen

poster appeared on

Victoria & Albert museum. It

advertised a forthcoming series

of shows entitled "Royal Flush",

an examination of the history of

toilets through such exhibitions

as "Shut That Door! Swedish

WC: sketches, designs, diaries".

experiment called The Boiler-

explore the history of industrial

saw the poster missed the joke as

Design Museum, Now Chris

Smith has confounded those

early scoffers and conferred

experiment with a £200,000 grant,

where near the centre of the gov-

On Monday, Conran will

down as chairman of the muse

um's board to make way for

James Dyson, the vacuum cleaner engineer who became an

image of the scheme.

use Project, a Terence Conran

#### retakes even though he had for Donen was a gymnastic, : Audrey Hepburn and Fred Astoire in 'Funny Fece' best-known number Donen bighly-wrought novelty How the Design Museum caught the eye of the Establishment

After a troubled decade, Sir Terence Conran's baby has finally grown up, reports Simon Tait



'Dog and Target' by Mark Tobey, 1934; and Royal Doubton's Acid Jug, 1937: two of the

icon of industrial design success when he ignored universal rebuffs to his pleas for investment and established his own designed by the architect whom he writes in the catalogue. company to put his ideas into many describe as the arch-priest practice. The company is today of postmodernism, Norman Fosworth £650m. "I can't think of a ter. Sponsored by actuaries better symbol for British design Bacon & Woodrow, the exhibition than James Dyson" says Christo- covers not only the architecture pher Frayling, Rector of the of the likes of Wells Coates and Royal College of Art and trustee Erno Goldfinger, but also paintthe Design Museum opens its ture and textiles which, Foster arts institution" says Paul most ambitious exhibition to believes, are as influential now date. Modern Britain, which as they were 65 years ago: "The ling museum as a curator and is tracks the Art Deco influence in Modern Movement in Britain, in now its director. We were the

It will be the first exhibition been healthier or more vigorous" industrial design and architec-

As it approaches its 10th anniversary, the Design Museum can afford to reflect with some satisfaction on a troubled decade. Conran didn't want the Design

29-year-old lecturer in art theory, Stephen Bayley, was brought from the University of Kent. In the "white box" space, he put on

but the truth is that there was nothing else providing a showcase for British contemporary industrial design" says Frayling. But Conran was thinking big. fle wanted more than a white box. He embarked on a great adventure, to open as the Design Museum in a former warehouse in Butler's Wharf, on what he foresaw as a vibrant new southside river community east of

field's children's museum, Eureka!, and the Royal College of Art's industrial design school. The magnet of trendy wharfdom would surely be too much for the cultural community to resist.

Resist it did, though, and when

"You shouldn't call this a museum. Museums are boring places". In a sense she was right. Bayley's notion was that a permanent collection was an unnecessary burden for the showcase. of design, a forward-looking subject if ever there was one.

But the museum opened with Commerce and Culture, an exhibition which failed in its purpose to establish a manifesto for design excellence. Disastrously few people went, and when it closed three months later Bayley had gone. "He was an instigator, not an administrator", says Thomp-

There were subsequently some key shows - Graphic Design in America and Dutch PTT were well reviewed - but Butler's Wharf failed as a cultural quarter: the tourists who had been expected to flood across Towe. Bridge never arrived. Conran ha to rescue the museum from coll lapse with a £2.2m special grant.

In 1992, Thompson was promoted with a brief to create a business plan for closure. "Itseemed to me that if we democratised the place and gave it a more educational edge, we might be able to make a business plan for Survival."

The Design Museum's turning point came in 1995 with a Frank-Lloyd Wright exhibition which struck a mood and an educational need. "It was the first show which genuinely impressed scholars, with material from the US which had never crossed the Atlantic before. Visitor numbers began to climb at last and for the last three years the museum has made a small profit", says Thompson.

"We didn't really expect any" thing for the Design Museum

Museum to be just a department because we couldn't see any some important shows, introducthe £8m Design Museum opened in the basement of the V&A. "He ing us to the genius of Kenneth future" Frayling recalls, "but it in July 1989, it was a lone culof the V&A. And on January 20, lngs, sculpture, graphics, furni- felt that we were not a decorative Grange, the co-founder of Pentahas become an indispensable edutural voice. The Tate Gallery's cational resource now at all levgram; to the couture wizardry of focus shifted elsewhere, the RCA Thompson, who joined the fledgissey Miyake; to his "perfect car", els. A gauntlet has been through stayed put and Eureka! eventuthe Ford Sierra; and to the cre-Tower Bridge. There were plans down on behalf of design and ally settled in Halifax. ative potential of the shopping for the new Tate Gallery to move technology, and it has been Mrs Thatcher opened the there, along with Vivien Duf- Design Museum by declaring: a more mature phase, has never specialists in contemporary picked up. I think wo're catching bag. "It was a bit of trade show. Terence up at last."

Whiff of success for a skin octor in essence Agric Valetson Str. De A

THE RESERVE The second section is a second e virtaria di**sting difer** St. Allering Berger

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# How to Spend It

f all the questions you could be asked, one of the very best is: which do you prefer? It goes right to the guts of a

Choose one. Yellow or aubergine, Bose or Bang & Olufsen, alligator or ostrich, Karan or Klein, luxe wallpaper or plain paint. Hey, leather or e. It's easier when it's Manichaean; usually it's not

The point of these pages is to culi the crowd and ease your choices, to leaven the whole dough-spending experience. So from my fridge to yours, a cartoon by Roz Chast that appeared in The New Yorker some years ago: a picture of two petrol pumps, side by side, above one a sign reading "Regular", above the other, "Fabulous". The aim here is to spotlight the more noteworthy

This weekend I take over as How To Spend It editor from

# Regular or fabulous? Your choice

Holly Finn sets out to add serious gusto to the job of spending it

and, in the time I have read and known her, has taught me much about style. She is a mighty graceful act to follow, I shall

For thinking people, decidis how to spend it, and then actually parting with money, can be as mentally wrenching as trying to order a regular coffee at Starbuck's. If we feel mildfibrillations, even all-out attacks, before handing over the hig notes, it isn't because we're skinflints - necessarily. It's because what we pick to purchase matters. We are, in the end, what we choose

The great thing is that every item, like every person, has a story. A furniture-maker

trees, rather than lucite, for a and potions to match the essence — the offactory gist — of a person are making a point. Even sweaters can be

Goods that are worthwhile are the same as people who are. They don't sidle up to the bar and sinr at you, cataloguing their plusses. They are, simply and with reason, hard to resist.

Napa Valley says about wine: you know a good vintage when your hand reaches for a second place without thinking. These pages by to give you a taste of things - their look and smell and texture - but it is always your hand that flexes.

what make possible the devilish inn of spending. Is this buying of things just whimsy? Well, are we invertebrate? Isn't there more to it? The particular radgets and girmos, shirts and skirts, dreamy creams and buttery leather-works that

shelves, matter to us. But why? In a speech he gave in Illinois in 1842, Abraham Lincoln weighed in on the fonic: "It is said by some that men will think and act for ...

compelled to pluck from the

appeal, the ones we are

"Let us examine this. Let me ask the man who could maintain this position most stiffly what meation he will accept to go to Church some Sunday and sit during the sermon with his

wife's bonnet moon his head? "Not a trifle, I'll venture. And why not? There would be nothing irreligious in it, nothin immoral, nothing uncomfortable - then why not? Is it not because there would be

something egregiously unfashionable in it? What is the influence of fashion but the influence that other people's actions have on inclination each of us feels to do as we see all our neighbors

but be dressed like a . . . . Transylvanian usher.

There is a reason these pages are not called Where To Spend It. or Whether To Spend It or Go Ahead, Spend It All, Or, C'mon

'n Covet Thy Neighbour. They're called How To Spend It. Because how you do things - how you think, walk, speak to waiters, how you go about picking your purchases and distributing your ducats - is telling. It's got less to do with the Joneses than with you. What makes you different

makes you better. Which is why, talking about style of all sorts, these pages aim to be crisp not cryptic. smart not sugary, rightly to gauge what will interest and distinguish you. They are intended for those keen on extraordinary things, not on being duped.

A fool and his money are soon parted, a sage and his not long after. We are writing for the latter, to add serious gusto and



siness of your spending. Which do you prefer? What a

# Whiff of success for a skin doctor in essence

Reggie Nadelson talks to a Florentine perfumer

Italian is sniffing my arm. Between whiffs. he talks about Cherie Blair, how pretty and smart she is. This is not as odd as it sounds.

Lorenzo Villoresi is a perfume-maker who creates customised scent. Up here in the penthouse of his medieval palazzo – you can smeli tt half a block away - is a mom with a staggering view of Florence and a thousand bottles of scent to work with, including amber, sapore di mare (sea smell), tobacco, grass, vanilla, iris and chilli

The British prime minister's wife has stopped by on a couple of occasions. When she was in search of a gift for the Queen at Balmoral, Villoresi suggested she take the red travertine marble dish with some potpourri. Scent. Italian-style, has a power that crosses borders.

Everybody is different, says Villoresi. His job is to identify the essence of that individuality and enhance it. "It's the most interesting part of my work," he says. People tell me everything about themselves, who they are, the signal they want to give, the atmosphere.

"Fragrance is like clothtime. I think of myself as a scent doctor." Villoresi grins at his own hyperbole. Still. he adds, "Everyone comes. Rich, poor, students, ambassadors. Jackie Kennedy was

At 42, Villoresi is more alchemist than simple scentmaker. A modern Renaissince man, he reads philosophy, cooks, speaks several languages, travels, and collects pup music from the 1950s and 1960s (Petula Clark while he attends to my arm). ancient bottles. When he

sells the perfume, as well as the scap, the potpourri and the scented candles in white alabaster pots to the best stores in Japan, Hong Kong, Europe and the US, in London, the LV line - exquisitely packaged in the dark blue crystal bottles Villoresi designed himself - sells at Fortnum & Mason, the

Villoresi reckons his busiesi's father was a historian and man of letters.

Only his mother didn't think her son completely nuts. But, then, Villorest's mother is a remarkable woman, in the late 1940s, she set up a shop selling Italian goods in Cairo. "Before King Farouk fell," she says, "everyone went to Cairo."

Villoresi was born and ing. I build it up a layer at a villa has the longest loggia

singing "Downtown" ing and a collection of



ness is worth about \$1m now. It's growing quickly and, he laughs, "the margins are good. I like the idea I am a merchant. But my friands. of course, thought I was completely crazy when I began, I was supposed to be a serious academic." Villor-

grew up in and around Florence. The Villa Villoresi, just outside the town, sits in its own lush gardens, the lemon trees heavy with fruit. The in Italy, and the rooms of this summer palace are all brilliantly frescoed. For years, the family has run it as a hotel. Villoresi often finds ingredients for his potpourri - some spicy, some

floral - in the woods nearby. After he read psychology in Florence, Lorenzo worked his way round London, Paris Florence. Catherine de Medand Jerusalem studying ici took her personal perancient philosophy and religion in the Middle East, he collected spices for cook-



came home, his friends started asking for special

Florence has always had a tradition for perfumemaking. Modern perfume was first made in 1370 at the command of Queen Elizabeth of Hungary. ("My

> 'I like the idea I am a merchant. But my friends thought I was crazy when

grandmother was Hungarian," points out Villoresi.) But perfume really took off as an art in Renaissance fumer to France when she married the future French king, Henry II. Now, in a sense, perfume has come

I began'

dles. Placing an order, she asked: "What's the name of your company?" He invented a name and went on to make private label goods for Emporio Armani, Paul Stuart in New York and Lane Crawford in Hong

Villoresi experimented with plants, reading books, making tinctures, fiddling around with distillation equipment. "Mostly what I hair, Ludovica speaks half a made was a mess," he

By 1990, Villoresi was in ess. He built perfumes for individual clients, and designed crystal bottles and leather cases, as well as the ing she moved back to Flor-travertine dishes for the potence where she had grown pourri. His scents became an up and married. international cult. He has a built a new laboratory near his family home.

For part of every year be travels the world. From time to time, like a Medici magician, he turns up in New

to want specialist perfume. They do not want things they can buy in a duty-free shop at any airport." This is a family business and Villoresi's partner is his wife Ludovica, a spirited, warm woman of Russian descent - her grandfather fled the revolution and set-

beauty with pale red-gold dozen languages finentiv. When she met her future husband at a party in Venice, she was running her family's farm near Padua. After a few years of commut-

tled in Italy. A Renaise

The summer before last, staff of five now, as well as Ludovica was in old jeans several consultants, and has painting the studio wall when the buzzer went. It was August, Florence was

shut up tight. Ludovica ran down the stairs and, she recalls: There was a good looking dark-haired woman at the

door. She said she had read it was. Cherie Blair bought about us in Britain. I said we some Christmas presents were closed. She said she and invited us to their vills." really wanted to buy some of

"Suddenly, I realised who

This year she made a our things." Ludovica return visit. "I tried to be Bardi, 14 50125 Florence; tel: very cool," Ludovica grins,

■ Lorenzo Villoresi, Via de' (055) 234 11 87, fax (055) 284 "but it was a bit hard to do 55 53.

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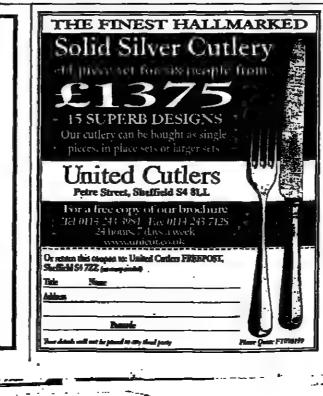
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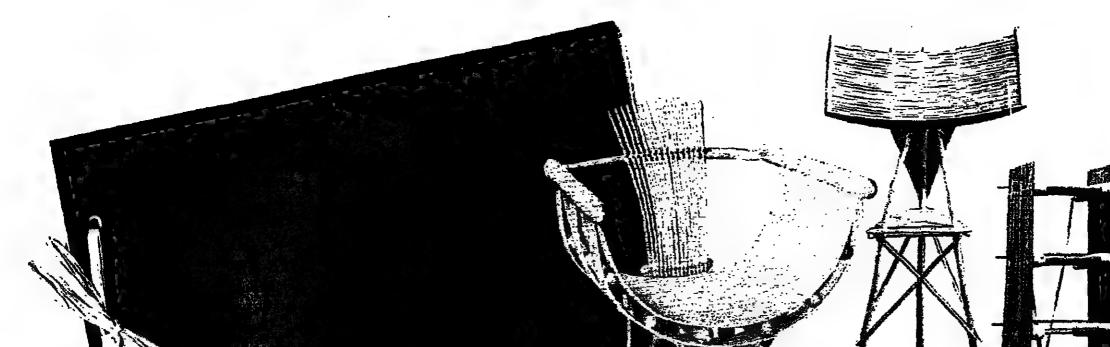


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Weaving a magic wand

Clive Fewins admires furniture made from ash and willow

uy Martin tells the story of a general practitioner friend who commissioned him to design a practical but "different" consulting room chair. It had to do the basics, like provide for good posture. It also had to do something more abstract: make the doctor seem more comforting. Patients should be encouraged to regard the chair as part of the "healing process". "It took me 21's years to get it

right," says Martin. But, he adds. "the development process produced a lot of ideas that I fed into other furniture designs, and a variant of the chair - I call it my 'cathedral' design – is now my best-selling

Martin has been developing his designs for three decades. In early autumn, he leaves his home each

week in a Somerset village on a foray to coppice ash in nearby woodlands. A little farther away, on the Somerset Levels, he buys willow from local grocers – either in batches with the bark left on, or in wands that have been boiled and stripped to a clean white colour.

From these primitive sources, Martin makes sculptural ash and willow furniture. Despite the cheap and rustic materials, his work is anything but traditional.

The shape of his chairs is minimalist. After spending most of his life as a designer, teacher and sculptor - 25 years as assistant to sculptor Sir Anthony Caro and six years as chief design tutor at John Makepeace's nearby Parnham College - one of his main objectives is to reduce his designs even more to essentials, to elemental shape.

"My aim is to get every aspect of the object correct," says Martin, 52. "This means understanding people's needs and producing a plece that is ecologically sustainable and naturally processed, made without resorting to chemical adhesives and in which every part of the design does a

Martin does not believe he has yet achieved this in all his designs. But it is only 24 years since he started Guy Martin Furniture. After leaving Parnham, he sold

most of the woodworking machinery he had acquired. To make the chairs, stools, tables and other items that now sustain his one-man business, he decided to use only a bandsaw to shape the rough pieces of ash and an electric router to fit the willow seating and backs into the ash frame.

The ash spars are finished with an electric drum sander, but the rest of the work is done by hand. Martin will not use a lathe to turn the ash legs and spars. "A turned object loses its hand-made

He has rejected woven willow in

richness," he says.

his furniture, part of a conscious attempt to get away from using the material in a conventional way. The strength for which willow is noted is given to his rockers, recliners and dining chairs by a process he calls "dry lamination". All his chairseats have two skins of willow separated by ash batons, which create the curved element and give the seat its great strength. The effect is that of a box girder bridge," says Martin.

Every element in his furniture is structural. Any aesthetic appeal comes from an appreciation of the

work each place is doing. "People tall me my pieces have a Japanes feel, but I have never been to

Japan," Martin says.
"Certainly they incorporate the Japanese ideas of honesty to materials, processes and needs. However, because it is not driven by aesthetics I think my furniture has more of a Shaker feel to it.

"I like to feel my chairs embrace the human form - they have arms, necks, heads, seats, legs and feet. On their own they have a human presence without a human being there." Whether or not Guy Martin's furniture strikes you as human, a piece of it does have a curiously healing effect. ■ Prices range from £275 to £575.

Ouy Martin Furniture is at Crown Studios, Old Crown Cottage, Greenham, Crewkerne, Somerse TA18 8QE, Tel: 01308-868122



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Stylist: Seline Levinson Model: Leura Roundell et Storm

e-up: Jane Bradley at the Work Heir: Rephael at Michaeljohn

'Cathedral' chair, in coppliced ash and cultivated

Music stand/book stand/lectern, in ash and willow

☐ 'Stave' storage for 100 CDs, in ash and willow, £349

Clockwise, from top left

Purham pink savester, \$346, white embroidered skirt, \$395, by
Matthew Williamson at Browns, 23-27 South Molton Street,

D Pale pink commerce elementers top, \$218, by Mortin Kidmun at Toklo, 309 Brompton Road, London SW3 (tel: 0171-514 0016). □ White centrare embroidered cerdigen, 2405, centrare to £257, by Matthew Williamson at Browns, as before. Nucle swe

□ Nude sweeter with pold securine, £330, nude twill hipster trousers, £78, by Martin Kidman at Tokio, as before.

skirt, £85, by Sare Degriove at Browns, as before.

☐ Burgundy merino wool tank top, £85, matching merino wool

# Fashion **Bold** comfort for the sweater set

Designers are making trend-setters of classic cardigans and tank tops, writes Karen Wheeler

purchase, now it is just as likely to be frivolous as functional. Who would have thought that the classic a ribbon trim at the neck. twin-set could become a trend-setter?

Lainey Keogh helped push the boundaries of knitwear, by proving it could be worn for evening. Labels such as Majo, Lucien Pellat-Finet and Rebecca Moses have done for cashmere what Sir Terence Consus did for the

Before Pellat-Finet and Co. cashmere styling was pedestrian - a roll-neck sweater was as during as it got. But now funky, striped sweaters, sexily cropped cardigans and camisoles, and bold use of colour are the norm. The two newest names to note. Martin Kidman and Sara Dearlove, have raised the game considerably.

Both have a good pedigree. having worked for Joseph Ettedgui on the highly successful Joseph Tricot range before starting their own collections. Their styles, however, could not be more dif-

Kidman's knitwear has a stock Kidman's designs. more artistic and decorative

Browns

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with sequins. A typical garment is a lacy lilac top with

buttons at the shoulder, or delicate ties that make all the difference, explains Paul

Kidman's

cardigans are a must-have among the smart crowd living in Brompton Cross

Sexton, co-owner of Koh Samui ip Covent Garden. The minutiae are carefully calculated, with lots of handfinishing and exactly the right proportions and balance, says Manami Sloley, whose shop Tokio in Brompton Road was the first to

His little cardigans are a feel. It comes in delicious must-have among the smart

nitwear is not what colours, with designs laced crowd who inhabit the fash-it used to be. Tradithrough with ribbons, deli-tionally a safe, cosy cately hand-embroidered of London (Tocca shift dress with flowers or sprinkled and tiny bag territory). Kidman has also been gaining a following among fashion cognoscenti. Kate Capshaw, The appeal is in the detail: (Mrs Steven Spielberg). Kidman does belts, ribbons. Courtney Love, and Helena Courtney Love, and Helena Christiansen - who once declared that the most wanted item in a woman's wardrobe was a Martin Kidman jumper - are all fans.

Kidman, 37, was snapped up by Ettedgui at his degree show for St Martin's School of Art in 1985. He worked at Joseph for 10 years, finally as design director for the Tricot range, He still makes the floral-patterned handicraft style sweaters, synonymous with Tricot in the early 1960s, for private clients. Meanwhile, his ownlabel designs are wide-ranging and quintessentially English. He does everything from delicate camisoles to chunkier cable knits.

His recent winter collec-

tion was called Jackie O Goes To Aspen; his current spring/summer collection is inspired by the early 1980s and features tongue-in-cheek styles alongside the covetable lace hand-knits and refined cotton sweaters. These include one shoulder tops emblazoned with palm tree or Cadillac motifs and Joan Collins-inspired navy and fuchsia tops - not to the next big thing. Though everyone's taste, but amus-

A visit to his showroom now pronounces himself sick gives clues to his quirky of flowers. Instead, he sees a return to the romantic style

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but is exceptionally pretty

with pale blue walls, a rose-

patterned rug on the stripped white floor and

his junk shop finds.

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stark designer showroom epitomised by Lady Diana 2le, she also does plain Spencer in her Earl's Court pieces reduced to complete flatshare days. That piecrust frill shirt of the early 1980s suddenly looks absodainty antique chairs. lutely right, he declares.

Arranged artfully around are Sarah Dearlove's knitwear is not as instantly arresting Kidman - who is also knitas Kidman's, but has conwear consultant for high noisseur appeal. The Comme des Garçons of the knitwear street retailer Jigsaw always has an eye towards world, her approach is esoteric, her garments complex.
A typical design is a black or florals featured strongly in last summer's collection, he cream sweater of luxurious 8-ply cashmere, twisted seamlessly around the body to create an asymmetric

> Her small collection includes technically con- tion is to create the perfect structed pieces and shapes seamless cashmers sweater. that have never been seen before. Her sweaters twist is a graduate of Central St around the body in an unbroken rib, allowing her she was immediately to abandon shoulder and employed by Joseph Ettedside seams. In contrast to gui after a tip-off from Andre

simplicity. Rich-woman-in-aski-resort is how she describes the look.

Dearlove's most popular design is a long ribbed cardigan which hangs off the shoulders like a shawl and looks as if it has been made from one piece. Most of her designs come in taupe, cream or black; the designs are so complex it is best to stick to neutral colours, she explains, adding: "I will always have a crew neck and a V-neck in my collection, but they will not be like everybody else's." Her ambi-

Like Kidman, Dearlove, 25, Martin's. Upon graduation, sleeveless tank in orange

Vogue. Dearlove was hired we'll all don futuristic, sci-fi to work on the Tricot range, clothing. But it is the homewith the specific brief to spun cardigan and sweater -Joseph rib.

Since then she has been hired as a consultant to the knitwear division of cult 309 Brompton Rd. SW3 and label Tocca (her influence Koh Samui, 65 Monmouth St. will be seen in the autumn WC2. Sara Dearlove at 1999 collection). Based in Browns, 23-27 South Motion San Francisco, Dearlove is a name to remember.

Although not a knitwear specialist, Matthew Williamson also deserves a mention. His spring collection contains some of the best knitwear around. Sparkly twinsets spun from delicate oneply cashmere in orange. fuchsia, or white (pure Snow Queen) are irresistibly ultramodern, as is his V-neck cashmere with fuchsia Lurex

Received wisdom may be the styles that fit like a puz. Leon Tally of American that, come the millennium,

reinterpret the famous going boldly forward in a comforting way - that are here to stay.

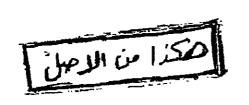
Martin Kidman at Tokio.

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#### FOOD AND DRINK

The new year starts in Paris for Nicholas Lander, who visits Taillevent, and Anissa Helou, who tries sweetbreads

he receptionist at Taillevent, the three-star Michelin restaurant off the Champs Elysees, smiled, bowed, ticked my name off his list and handed me over to the premier maitre d'hotel who led me through the first of three plush dining rooms, built for the Duc de Morny in 1852, to a corner table where I sank into a ban-

I was handed a large linen napkin, a copy of a most beautiful menu and a mini vintage chart one of which was considerately placed on every table - and I was told that Jean-Claude Vrinat, Taillevent's owner and one of the world's most respected restaurateurs, would be with me shortly. Vrinat duly arrived, smiling as ever, having just made sure that the customers at the other 17 tables were as he would wish and as comfortable as they would want to be. He is 62 but looks younger, with only the red ribbon of the Legion d'Honneur on his suit to mark his achieve-

An almost boyleh expression crosses his face whenever he talks about his passions, such as the gardens of Sussex, Kent and Scotland, and, above all, the food, wine and restaurants.

Before I could ask him about any of this, there was the small matter of what we would eat. Vrinat quietly suggested that I leave the choice to him. We would begin with two first courses, a mousse of sea urchins followed by sautéed scallops with grated lack truffles. Then, because it vas in season, we would share the classic hare à la royale. Next to the table were two burgundies, a 1986 Chevaller Montrachet from Deleger and a 1985 Volnay from de Montille. I was in the best of

A question was on the tip of my tongue when two small bowls arrived. "A little watercress soup to begin with because it is cold outside," Vrinat explained. I gratefully accepted the dollop of rème fraiche and caviar that ccompanied it.

in the age of the super chef and the growing number of large restaurant groups, I asked whether there was still a future for the independent restaurateur.

"I think so." Vrinat replied. although I am aware that today Taillevent is the only one of the 21 three-star restaurants in France owned by a restaurateur, not by a chef. But the situation is changing and the top cheis, such as Alain Ducasse and Paul Bocuse, who are running more than one restaurant, spend less and less time at their stoves and are gradually being transformed into restaurateurs themselves.

to invest continually to maintain standards for the customers, you have to be demanding, to watch every detail."

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Addison to the

Vrinat sets a good example by arriving, with his wife, at Taillevent each weekday at 8am and leaving after midnight, a routine he has followed for the past 86 years since leaving business school, "The early morning is crucial," he says, "to check faxes and reservations and to inspect the produce."

Taillevent is exceptional in that all its staff are French. In its 53 years, the restaurant has had only four head chefs (one of who will have booked more than whom stayed for only two years) a month in advance for dinner. and a loyal staff - the barman has been pouring drinks for 32 years while the premier maine d' started as a 18-year-old, 25 years

When Vrinat excused himself to take a phone call I imagined am not interested in what he has When in Paris - but not in the how cast it would be to sit here cooked before. I never ask them restaurant - he is invariably in money for Vrinat and Joel Robu-

he words Ribera del



# Pleasures that add up to three-star success

quietly as revolution raged outabout May 1968, the year of the student riots in Paris. "We carried on as usual," was his reply. "Everyone came to work, although husiness was down by more than 50 per cent.

"Quite simply, a restaurant is a team effort and no part of what we do can let the rest down. For the customer and for me, the waiting staff have to be as good "They realise that to be suc- as the kitchen, the pastry section tier and the wines we serve. Achieving this, seeing my customers leave happy or receiving their thank you letters, are the reward.

Another reward is greeting returning customers. Near us were two tables of Americans who visit Taillevent whenever they are in Paris and who always leave the choice of menu and wine to the mattre d'. At lunchtime, 70 per cent of the customers are French, 60 per cent at dinner. Three-quarters of lunchtime bills are settled by account. However, there is a regular flow of travista. For a lucky few, Taillevent is the

ultimate executive dining room. "When a young chef comes here I they have or which they may have absorbed from working in other great kitchens. The discipline and organisation of working with Joel Robuchon, for example, or the family atmosphere and humility chez Pic in the Rhône.

'I realised that to offer the best wines at the best prices I have to buy as soon as the wines are released'

can develop our menus which we change about five times a year, never putting more than two or three flavours into one dish or you risk overpowering the pal-

Vrinat seeks the same refinement in his wines. Over the past Vrinat has, however, ensured 25 years, he calculates that he continued pre-eminence by an has bought more than 2m bottles extraordinary devotion to detail. and he feels this has given him even more excitement than food.

since medieval times - they

people forgot the slightly

Pinot Noir, and the high alti-

tude gives them a pro-

to copy someone else's recipe. I his nearby wine shop, Les Caves side. On his return, I asked him am only interested in the skills Taillevent, where the computer screen-saver displays the pebbles the weekends, when Taillevent is French vineyards with his wife without whom, he romantically adds, he neither tastes nor buys wine so well.

> "Twenty-six years ago I was standing in the cellars of Robert Javer Gilles in Burgundy and I tasted what I thought was his

can wine merchant and I realised that to offer the best wines at the best prices I have to buy every year as soon as the wines are released. The restaurant has 300,000 bottles stored away in two cellars around Paris, but today I am concerned that whenever I visit those regions of France offering the best value, such as the Languedoc, Rousillon and the areas around Bordeaux such as Côtes de Fronsac, the French buyers are continually being besten by British and American wine importers."

nat receives about 50 business proposals a year to act as consulnese investors put up all the

chon to open a restaurant, boulangerie and pâtisserie and a wine shop within a reconstructed French château.

Subsequently, he has advised on the relaunch of Prunier, the famous fish restaurant, but this arrangement is coming to an end. "Restaurants must come from the beart," he explained.

There were now three desserts on the table - a caramel ice-cream, a chocolate marquise with a pistachio sauce and some "When I tried to buy it I was ries. I felt slightly awkward, hav- while the pigs' feet were rolled told it had been sold to an Ameri- ing saved the most sensitive, per- in a luscious, crunchy chapehars sonal questions for the sweetest part of the meal. But I wanted to they had been boned, they know how, living perpetually in a looked as if they had not been world of fine wine and food, he stayed so slim. Vrinat laughed. "There is no secret except I never finish a meal without cheese and dessert." He noticed the surprise on my face and politaly repeated his trade secret.

Then there is the question of his succession. His daughter. Valérie, runs the wine business but who will keep alive l'esprit de Taillevent? Vrinat kept smiling. "I have the same enthusiasm and As a result of his expertise, Vri-passion for this restaurant today as I had when I started 30 years ago. I have no intention of retirtant, to become a partner or to ing and when the time comes for open the second Taillevent. So me to stop, a solution will presfar, he has only accepted two. ent itself. The right person will

N.L. hours. It is served over a

# Offal good news from France

ffal has become a dirty word. Or at least, it has in England. Not surprising, really. Originally, offal was referred to as garbage and if you look up garbage in the Oxford English Dictionary, you will find it defined as "the offal of an animal used for food; esp. the entrails". Indeed, as early as 1911 Encyclopedia Britannica gives a definition as "puirid, flesh, carrion".

In spite of the unappetising name, offal used to be much moreciated in England, The taste for it started to wane after the second world war, when people ate a lot of it because it was not rationed. When meat became more widely available, people started turning away from offul.

Recently, the BSE crists effected offel sales and many cuts are no longer on sale in England, including lamb's head brains, feet and even oxtail. As a result, few restaurants have offai on their menus, except for those whose taste for what food writer Jane Grigson described as "the basis of many of the most delicate and delightful dishes it is possible to make" is still unaffected by fashion or health

The situation in Paris is very different. Not only will your local butcher or tripler supply you with any offal you fancy, but the great French specialities are still firmly on the menu.

At Chez Georges (+33 1 42 60 07 11), a charming histrot just off Place Victoire, the menu includes salade de museau de boeuf (beef mout salad), ris de veau aux morilles (veal sweetbreads with morels).

rognons de veau grilles (grilled veals kidneys) and pieds de porc desosses et grilles (grilled boned pigs' feet). The museau salad, which came in a large saludie for an to have as much as we wanted, was beautifully seasoned with enough vinegar to

lift the bland, gelatinous meat. The sweetbreads were cooked to perfection and bathed in a light, creamy sauce with a generous garnish of morels. The kidneys were perfectly crisp on (breadcrambs) and, even though touched.

Sadly, tête de veau sauce gribiche was not on the menu that day but, according to the friend who accompanied me, when it is there it is one of the less versions in Paris.

Not far from Ches Georges, in les Halles, is Pharamond (+33 1 42 33 06 72), world famous for his tripes à la mode de Caen. The Pharemond family brought the recipe with them from their native Normandy in 1832. It is still prepared today as it was then: rinsed under a trickle of cold water for 24 hours, then blanched in four changes of water before being cooked with carrots and beef feet in white wine and spices for another 26

charcoal brazier so the tripe stays blistering hot.

If you are a slow eater, the waiter will bring back the brazier. Definitely worth a visit, not least because the interior has remained unchanged since it was redone for the Exposition Universelle of 1900.

Further east, in La Bastille. the quartier branche of the ent, you will find Le Pied Rare (+33 1 43 79 87 06), a simple establishment but the only one in Paris to serve one of France's culinary treasures: pieds de Porc à la Sainte Menehould (pigs' feet that have been cooked for so long, over 24 hours, that you can eat the bones).

The recipe is a secret and only Rebillard Fils, ironically a vegetarian, has it. It was given to him by his mother. She, in turn, was given it by a Mr Pierard who had worked at the **Botel Basinet in Seinte** Menehould where General de Gaulle used to order trotters. While there, Picrard managed to coax the recipe from Mme

Burinet. Within walking distance from Le Pied Rare is Le Passage (+33 1 49 29 97 64), another unique ace, the only restaurant in Paris to offer a choice of seven andouillettes (chiblerlings), each from a different region. I can especially recommend the mellow-tasting andovillette Lyonnaise, made with fraise de veau (veal mesentery, or intestinal membrane) although the other two I tasted, a smaller one with berbs from Soulle and another cooked en fricassée with

sweetbreads, were good, too. Back to the 7th arrondissement and the Monttessuy (+33 1 45 55 01 90), a small Lyonnais café-comptoir whose owner worked for Bocuse, for a great speciality from Lyons, le tabiler de sapeur. The tablier is a large piece of tripe that is boiled, breaded and then fried or baked You could almost mistake it for an escalope milanaise. If you are squeamish about trine, but still would like to try it, this dish is your best introduction.

especially at the Monttessuy. Finally, to a restaurant where the atmosphere is so warm and easily think you are in one of those old films with Simone Signoret and Yves Montand, sitting and smoking in a corner

- Le Restaurant do Marche (+83 1 48 28 31 55). Christiane Massia. the chef-owner, buys most of her produce directly from farms in the Sud-Onest. She serves salade de geziers confits (goose gizzards), goose heart stew, aiguillettes (the Hesb that sticks to the breasi bone of the goose, which she considers offal) in an exquisite sweet-spicy sauce and, of course, fabulous foir oras, either en terrine or en escalope.

ls it too much to hope that offal will return to more English

For further information: Le Paris des Envise Gourmandes (BFM Flummarion 1999, FFr79). Le Pudio de Paris Gourmands (Estitions Mazarine 1999, FFr 110).

# Is Ribera Spain's answer to Pétrus?

It may be 20 to 30 years before we find out, says Giles MacDonogh

Duero have been tripping off every tongue in the wine trade for some time now the latest addition to every list. Even the keenest hispanophiles only became aware of the wine as recently as the late 1980s. It was about then that Robert Parker tasted Tinto Pesquera and pronounced it Spain's answer to Chateau

At the time, we scrambled modern and quite unlike the soft, vanilla-seented wines of Rioja. While we were approising Pesquera, we

most expensive wine; it is Lafite, Latour, Petrus, even, all rolled into one. I remember the late Alexis Lichine telling me of his passion for Vega Sicilia over tea in Clarbaby lamb on the menu".

the thin trackle of fermented Vega Sicilia were closed and must emanating from the bolted. Only the lamb was really new. Vega Sicilia has baker's oven, and served Ribera del Duero is not been around since 1861. It is with bread and a little salad: Spain's grandest, carest, in this part of Spain, there

Penaliel. "we'd pick up a few to obtain samples of this bottles of Vega Sicilia and go prodigy: not quite l'etrus, we to a restaurant in town decided, but impressive, where they had a ram that tupped the ewes all year mund, and there was always did. For us, the doors of available, grilled on vine prunings or prepared in a

are still resisting the potato. Besides Vega Sicilia and before the DO was created in idges. In the 1950s, he and a 1982, wine-making was friend used to motor down to old-fashioned. Ribera is a clay and limestone platean surrounded by table-top hills, and split by the Duero or Douro River. Agriculture must always have been mixed here, but a little wine was a sine qua non, chiefly rosé: it went best with baby He had more luck than we lambs. In Franco's time, corn gained the upper hand, and

> astringent wines made from the Tinto fino, alias Tinto del pais grape. This is a mutation of Tempranillo -Spain's top black cultivar, said to have been carried into the country in the baggage of Cistercian monks. Some people like to believe that Tempraniilo is itself a mutation of Pinot Noir, a grape which flourishes in Burgundy - and Burgundy is also the origin of the Cistercian order. I am sceptical. In Ribera del Duero, very few of the wines have that silkiness which typifies great

have been few alterations to taste of small black fruits. vated by the dukes of Lerma wines. There even seems to and amid the turbulent the gastronomic staples There is one estate, however, which I thought came close to great burgundy, and that was Briego, founded by three brothers as recently as 1993, for me it was the greatest discovery of the trip.

It is a region in a state of flux. Everything seems to be either half up or half down. Old farmhouses stand plundered of their rooves, festering by the road side, while the farmer's pride and joy, his vulgar modern residence, stands poffing out its chest Half the wineries we vis-

ited were either expanding, or had simply not finished building. Many of these have been created by men who took their grapes to the Protos co-operative in Peñafiel a decade ago. There they were turned into rather cheesy, leathery wines. Others, such as the excellent Carmelo Rodero, sold their fruit to Vega Sicilia.

There seems no shortage of money, judging by the hatteries of expensive stainless steel vats, pneumatic presses and new American of selling grapes at anything casks. At Real Sitio de Ven- between Pta300 and Pta400 tosilla, the largest winery in (£1.25 and £1.66) a kilo. the region was being built on a former royal hunting just beginning and there are

the new men have come up from Madrid, sensing gold in those south-facing slopes. The novelty of the region's fame means a lot of young vines. At Valduero we learned that the vineyard

> I wanted to dislike it, but I couldn't: it was rich and sinewy, and smelled of bitter cherries

area had grown 30 per cent in the past five years. In 1984, there were just six bodegas in Ribera. Now there are more than 100. Vines are being planted just about anywhere, on the most unsuitable, heavy soil, because farmers are certain in Britain.

Proper soil analysis is only

such as the fabulous vineyard below the castle at Penafiel, which chiefly belongs to the local co-op, Protos. ecod-value Villa Lobon, and

Pérez Pascuas is ready to market a more expensive single-vineyard wine, which will be as lip-puckeringly tannic as all the others they make - they work in futures. One thing is certain, right place for optimum quality. The youthfulness of most

of the vines means that there is the world of differ- from the same stable. That ple Bodegas Rodero ence between the younger joven (young) or crianza (oak aged) wines, and the reservas and gran reservas. Which receive the better trust from the older vines. You could see that clearly at Valduero: the wines to buy were the reserva especial and the gran reserva. But (and this is generally the case in Ribera) neither is exactly cheap, the latter would cost about \$25

We sampled a couple of vintages of Pesquera - a nounced acidity with the ground which was first culti- precions few single-vineyard juicy 95 and a tough 94

and Medina Celli. Some of be a reluctance to bottle atmosphere of the fiesta in some of the obvious sites. Aranda de Duero, we drank a bottle of 1986 Vega Sicilia. After their truculence I wanted to dislike it, but I couldn't: it was rich and sin-There are exceptions: ewy, and smelled of bitter cherries. I mentioned it to growers, but they didn't want to know. The world, it seemed, had moved on: there

unaveilable in the region -

Pingus, the creation of a

wine-loving Dane.

When I got home I tried to only very few vineyards get hold of a bottle, but it have been planted in the had sold out. Parker, it seemed, had pronounced Pin. I had to make do with. John Comyn (0161-485 4592) 1995 Hacienda Monasterio

Information: Two of the best - and best value estates I visited, Briego and Real Sitio de Ventosilla, have from Spain on 0171-486 0101. Pesquera, Vega Sicilia and Pingus are imported by

was impressively silky, but

these are early days for

Ribera del Duero, and it

could be 20 or 30 years

before we know the fron-

John Armit (0171-727 6846), Morris & Verdin (0171-357 8866) and Corney and Barrow (0171-251 4051) respecwas a new Ribera wine, Bodegus UK imports Protos (0956-542 732), Laymont and Shaw ships Bodeous Valduero (01872-270 545), Moreno

gas (0171-723 6897), Richards Walford for the massive wines of Hermanos Pérez again: this was Spain's Le Pascuas (01780-460451) and brings in the rather more sup-



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#### PERSPECTIVES



The story so far: Jane Astor, a London-based private investigator, has been hired to discover why someone wants to put Patrick Lowrie's Doomsday web site out of business.

Laurie is an Endist: a scientist who studies the threats of extinction facing mankind. He hired Astor after being badly beaten on a London

Has the Doomsday site unwittingly spotlighted on example of technological adventurism that threatens to extinouish all humans?

Astor, a rich, 34-year-old post-feminist, has flown to Austria following a fire-bomb attack on the Doomsday site's HQ in Kitzbühel. With her is Paul Willson, her young assistant and laper

As this eccentric couple have realised, they are tackling their strangest case.

e make mis takes. We kill our That how the late Carl Sagan. astronomer and science visionary, described the human predicament in a speech he made at Gettysburg, Pennsylvania, on July 3 1988, at the rededication of the peace memorial that marks the Battle of Gettys-

One of his themes was the escalation of risk. The death toll at Gettysburg was 51,000. With one or two exceptions. all of them were soldlers, said Sagan, "But in a global thermonuclear war, almost all the casualties would be civilians, including vast numbers of citizens of nations that had no part in the quarrel that led to the war, nations far removed from the northern midlatitude 'target zone'." Everyone on earth was at catapulted into the peculiar risk. We had made a fool's

bargain. Even in modern industrial states, madmen could seize the reins of power. With our rock-piles of nuclear weapons and the threat of proliferation, we were gambling sobriety of all present and future leaders. "I say this is asking too much of us," said Sagan. "Because we make

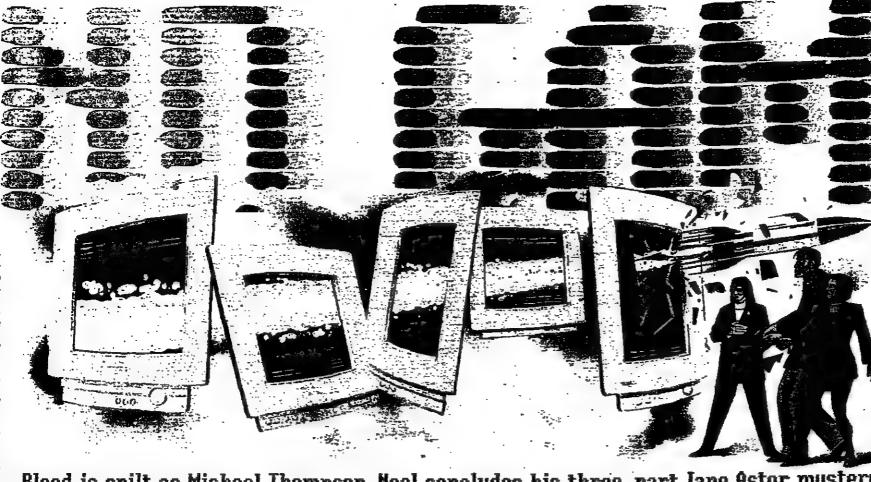
mistakes. We kill our own." Apart from nuclear wipeout, many other potential calamities are on the horizon. They include natural disasters, such as asteroids, comets and massive stellar or other deep-space explosions. Or we could be vaporised by aliens. But the greatest variety of threats to human survival stems from our own technological prowess, and love of war.

For example, there are hundreds of different possible computer disasters heading our way, climaxing in our loss of supremacy on carth's evolutionary ladder when computers supplant us. Once they acquire our intelligence and cunning. some people say, computers will take over from us with or without our permis-

I do not know about that. But in the last few days I have discovered that the threat of nuclear war is even greater than suggested by Carl Sagan at Gettysburg. We are at risk from nuclear war, and we are at risk from There is an appalling possibility that we will extinguish ourselves in a nuclear war game: in a simulated nuclear confrontation that lurches or is manipulated - out of control. Grotesquely, we tell me about the fire-hombmay be devoured by hyper-

My name is Jane Astor. I am a London-based private investigator, aged 34. I am single and self-employed. You can tell I am a postfeminist because I drive a flamingo-pink Peugeot 306 convertible and employ as a trainee-assistant a 21-yearold guy who is not a rocket scientist but who is sweet and keen and does a lot of

His name is Paul Willson. Paul is 6ft 3in and skinny. We get on really well. He spends most of his nights at my house, which is near Marble Arch. When his clothes need washing, I send Vicky, who claims to be puze mally do not tolerate - was none of us knew about these zled by my relationship with sulking. But I soon changed calls from Paris, demanding



### Blood is spilt as Michael Thompson-Noel concludes his three-part Jane Astor mystery

her only son. She can see what Paul gets out of his association with me, says Vicky, but she cannot see what I get. She laughs until the tears flow when I tell her that Paul is a promising trainee investigator and

excellent between the sheets. Although I charge top whack, I do not work for the money. I work to stave off idleness. My dad was a famous golf course designer in America. When he died he left me \$3m. At the time, I was a corporate investigator at Kroll Associates in Miami. But I jacked that in, returned to London, got a cousin to invest my dad's money in equities (my \$3m has turned into \$7m), set myself up as an investigator. hired Paul on the strength of his height and dark looks -

enjoyably. However, my most recent case has been my most difficult. Until a few days ago, nothing added up. But finally, having found myself world of endism, Armageddon, hyper-reality and war games, I started to make

and have trundled along

ever since, successfully and

Endists are people - usually WIDO STRUC the natural and technological perils that endanger us all. Their subject is Doomsday. My most recent client is an Endist: a scientist named Patrick Lawrie who lives in London and owns and overates a Doomsday web site that has thousands of paying customers around the world. The site contains articles. interviews, briefing notes, speeches and scientific papers - millions of words discussing whether or not humanity is likely to be extinguished within (say) the next 500 years.

Just before hiring me. Lawrie had been savagely beaten near his Bayswater office late one night. His cheekbone was smashed, his right arm broken. A few days later, someone firebombed the office in Kitzbühel. Austria, from where the Doomsday site was pro-

duced. No one was hurt in the fire-bombing, but the message was clear. There was something on the Doomsday site - some allegation, assertion or innuendo - to which someone, somewhere, took violent exception. What it was, no one could fathori. but it seemed obvious to me Kitzbühel-based partners were in grave danger, even though I could not tell in which direction the danger

When Lawrie phoned to ing, I was at home in bed with my trainee-assistant. Lawrie's call interrupted our lovemaking, though only long enough for Lawrie to tell me that one of his partners, an Austrian named Hansjörg Koubek, had informed him that the office in Kitzbühel from which the Doomsday site was produced had been wrecked by a fire-

bühel. He would be flying in the opposite direction, to a seminar in Washington. Would I go to Kitzbühel in his place, and discover what I could from Hans? Of course would, I said.

By the time Lawrie rang bed and smoking one of my

that. We resumed our love- the removal of a photo." making. Paul has always been an A-grade student in that department.

Five hours later we took a shower, then called a cab to take us to Heathrow where we caught a flight to Innsbruck via Zurich. In Innsbruck, to charm Paul, I waved my titanium card at the fat girl on the Hertz desk and hired an electric-blue Mercedes coupé for the drive to Kitzbühel, which we reached in mid-afternoon.

I like Kitzbühel. My dad used to take me skiing there

There is an appalling possibility that we will extinguish ourselves in a nuclear war game

when I was small, before we moved to America. He always booked us into a classy, family-run hotel in the old town, so I did the same with Paul, discovering that the hotel now owned by a different family, was We were given a suite; its bedroom had an enormous alpine four-poster with a mattress as deep and as soft

it wasn't until 5.45 that I finally rang Hans Koubek. He was on his way back from innsbruck, where he lectures in biology at the university. "I'll meet you in 90 minutes." he said, nominating a restaurant in the old town - and arrived precisely on time, to find Paul and me already ordering food, "We were starving," I said guiltily, colouring as I said it, but Koubek didn't notice.

300

Koubek was small, darkbaired and 43 or 44 years old. His eyes flicked from Paul's face to mine. Then, to my relief, be provided an explanation for the attack on Patrick Lawrle and the firebombing of the Kitzbühel

office. "It is all most regrettable," said Koubek, "but I have been travelling for some days, and there was a breakdown in communication. My regular secretary is away having a baby, so the office that produces the web site was being staffed by a temporary secretary. Not a stupid woman, certainly, but not an intelligent woman. Something in

A week ago, said Hans, the temporary secretary had taken two messages from an anonymous caller in Paris. asking that a photograph be removed from the Doomsday

photograph!" exclaim Koubek nodded. He was ignoring Paul. It seemed he disliked him. His remarks were addressed solely to me. "A photograph - yes," said Koubek. "The caller wanted Lawrie couldn't go to Kitz- a photo deleted from the web site. Both calls were recorded, as a matter of routine, but the secretary sent the tape, with a covering note, to my home here in Kitzbühel and then went on holiday, to be replaced by a jacket pocket, opened it, and different temporary secreoff. Paul, who was lolling tary. But I was away. I against the headboard of the returned yesterday. My wife, who often helps with the him home to his mother, cigarettes - something I nor- web site, is also away, so

I told Koubek I had segumed that Patrick Lawrie had been attacked in London the site had because exposed, inadvertently, something serious; an individual or corporation, perhaps - even a government whose scientific research was in danger of triggering some extinction-threatening catastrophe that might wipe

out mankind. "Twe spent days and hundreds of dollars sweeping the site," I said angrily, "without guessing that what I should have been looking for was a photograph. Are you saying that all this trouble was caused by a picture?"

"Looks like it." said Koubek phiegmatically, gesturing to the waitress to bring more bread and wine. "And - before you ask - I'll tell you what it showed." He paused melodramatically. Fiddled with a cuff-link. Fingered his tie. Paul was on the verge of laughing but I kicked him under the table.

"The photo," said Koubek slowly, "shows two guys at a table beside a swimming pool at a hotel in Tel Aviv. Both have just been in the pool - their hair is still wet. The older guy has his arm round the shoulders of the younger guy. They seem very happy with one Ben Rosenblueth, an American-Lithuanian who has made a fortune investing in tiny, embryonic high-tech-

nology companies." Paul was slurping his soup. I told him to eat quietly. "We could always get you a straw." I said, but not unkindly. Irritated by the interruption, Koubek glared at Paul before continuing. "Rosenblueth is immen-

selv shrewd and well informed," he said. "His main interests are molecular biology, computers, communications and defence technology, but there is hardly anything he won't look at, initially. His clout stems from the fact that he often brokers technology sales and swaps between governments, especially western and eastern European ones."

"And the younger guy?" I asked, drumming my fingers. But Koubek would not be hurried. "The photo has been on

the web site for about four weeks," he said, speaking really slowly. "We accepted it in good faith. It arrived in the post, from an officialsounding photo-agency in Jerusalem, so we stuck it on the web site. Its quality was the caption said it showed Rosenblueth and a colleague at poolside in Tel Aviv during an unpublicised government-level conference on battlefield simulation technology - computer war games. These war games are of great interest to the Doomsday site, so we happily used the photo. Any-

way, Rosenblueth is a celebrity in high-tech circles. "The younger guy in the photo," added Koubek at last, "is James Lee-Mann, an Anglo-Chinese, born in Hong Kong, now domictled in England. Lee-Mann is a mathematician - also a leading designer of war-games software. Possibly the best He's paid millions for his work. I've brought the photo for you to see" - saying which, Koubek withdrew an envelope from an inside

handed me a photograph. It was just as he had said. The focus wasn't perfect but the faces of the two men were well defined. They were sitting thigh-to-thigh. Rosen-

sute and heavily muscled, probably late 30s; the other one. Lee-Mann, was a slim. tall Chinese with long, girlish hair, early 20s, wearing a necklace of blue glass beads. Reading my thoughts, Koubek told me: "Rosen blueth is 37, married, no children. His wife is wealthy and lives in Long Beach. enjoyed a swim. blueth is almost never there. Spends most of his time on planes. Lee-Mann is

known about him." "A nice looking guy." I said, pointing to Lee-M "Yeah, cool," agreed Paul appreciatively, taking the photograph from my hand. "Are they supposed to be gay, Mr Koubek? Is that why you ran the nicture on the

24 and single. Little is

Koubek was embarrassed. For a while, he stayed silent. Finally, he said: "You may not believe it, but such a thought occurred neither to me nor my wife. We were naive. We thought it was an informal picture of two guvs from the world of house nichnologic. Probably they were friends. Maybe they were getting cosy, businesswise. But nothing else occurred to

These calls you got from Paris," I said. "Did the caller say why he wanted the photo removed from the

"He said the photo was a fake, a smear: a deliberate attempt to imply that Rosenblueth and Lee Mann were lovers," said Konbek, morti-

"Is this the original photo - the one you received in the post?" I ssked. Koubek nodded. "Then I need to keep it." I said. "Tell me, Hans, have you taken Rosenblueth and Lee-Mann off the Doomsday site yet, or are they still canoodling in cyberspace?

Koubek shook his head. irony was beyond him. "Yes," he said, wretchedly. "No. I mean, no – I haven't removed the photo. They're still there. Rosenblueth and Lee-Mann. I only heard about the calls from Paris a few hours ago. The temporary secretary rang me, the one who had taken the calls. She had heard about the attack on our office. I was going to tell the police about the photo, but wanted to meet you first."

"Hans," I said. "How fast can you get that photo off the web site?" "Very fast," he said, lifting laptop on to the table. "Good," I said. "Kill it."

An hour later, Paul and I left the restaurant, and almost instantly received confirmation that Patrick Lawrie's

> We walked through an alleyway; two men stepped out of a doorway, blocking our path

troubles had been caused by publication of the photograph - said to be a fake of Ren Rosenblueth and James Lee Mann at poolside in Tel Aviv.

Koubek had gone home leaving me to pay the bill. He had told me a lot about how the Doomeday site was produced, and as much as be bineth was low-browed, hir- knew about Rosenblueth "I still don't see why our sub-scribers should necessarily conclude that Rosenblueth and Lee-Mann were having an affair, whether or not the photograph was a fake," said Koubek plaintively, prepar-ing to take his leave. "All the photograph shows is two guys - friends - who've just

"But look at them, man." said Paul, "They're hot for one another. Yet if the tricture is a fake, maybe only three or four people know it's a fake, including thes two themselves. The real question probably isn't whether Rosenblueth and the Chinese guy are gay, but who faked the picture, and why?" Paul was right. Kou-

bek could see that. Paul was in a hurry to get back to our hotel suite but I was spinning things out. making him wait. I had another glass of red wine and lit a Mariboro. I blew four perfect smoke-rings. which hovered in the space between us like miniature SDS09C/TETL

At midnight, we set off for the hotel. I took Paul's arm and we walked through an alleyway into one of Kitzbühel's smallest, darkest central squares. At once, two men stepped out of a shop doorway, blocking our path.

I cannoned into one of early 30s, and both looked fit and dangerous. I recognised them immediately from Patrick Lawrie's description of

'Modern battles are pre-fought on virtual-reality battlefields before they are fought for real'

the two men who had attacked him so savagely in

London. The one I had collided with shoved me away violently. At once, Paul swung a fist at him - and was immediately felled by a sickening punch to the side of the head.

Unfortunately for Paul's sallant, I was carrying. half concealed up my sleeve, a Czech-made, weighted, telescopic, tri-metal attackwand - a weapon so vicious it is illegal in most coun-

It flew into my hand. I mapped it out to its full ength: 26%in. The guy who had hit Paul bowled in agouy as I smashed his left wrist with the wand, and then his right elbow. He fell to the ground, his wrist and fection worlle

I turned to confront the other man. He had been had changed his mind. I was surprised he didn't have a gun. He backed off a couple of steps. His eyes were locked on mine. Eyes of I risked a downwards

glance at Paul, who wasn't ing from his mouth. His face had gone bone-white. I felt a great surge of fury. "His name is Paul Willson," I told Blue Eyes. "He is 21 years old. If he is in any way harmed or damaged, I swear that I'll kill you." Blue Eyes said nothing. "I gather you're steamed up about some poxy photo on the Doomsday site," I continued. "Well, there was a slip-up. A lack of communication, quote/unquote. But the photograph has been removed. It was taken off the site more than an hour ago - better late than never "Good," said Blue Eyes. That is all we ever asked

"And who is see, you moron." I moved forward a step. The attack-wand terrified him. "Are you speaking for Ben Rosenblusth? James Lee Mann? Both of them? Someone else? The Man in the Moon?

"That would be telling." said Blue Eyes.

I reviewed my options. Blue Eyes watched me like a cobra studying a new type of mongoose. Finally, I told him: "You and whoever is paying you were way out of line in assaulting Patrick Lawrie and destroying the Doomsday office. Someone could have been killed. And all because a secretary failed to pass on your messages."

The photo was a lousv fake," said Blue Eves defensively. "It was intended to suggest a relationship between Rosenblueth and Lee-Mann that doesn't

"I've told you," I said. "The people running the web site didn't get the messages. They didn't know the photo was a fake. Nor had it occurred to them that the photo might be taken to imply that Rosenblueth and Lee-Mann were lovers. They simply didn't see it that way. But I haven't got time to debate this stuff, cretin." I raised my palms. "We had better back off," I said, I pointed to Paul's attacker. He'll need a lot of surgery. but that's his funeral."

'Sure." said Blue Eyes. "We'll both back off." Roughly, he hauled the other man to his feet, and they vanished into the shad-

I helped Paul stand up. He was groggy, but his mouth had stopped bleeding. I took his arm. We found our hotel. I threw our stuff into our bag and we got into the

I drove slowly westward. Paul's mouth was bleeding again. He seemed really sad. In Innsbruck we caught the first flight to Zurich, and thence to London.

It is funny how much prog-

ress you can make when you know which buttons to push. Within an hour of returning to London, I had contacted Patrick Lawrie in Washington and told him his troubles were largely over. Within another five hours I had found out a lot, probably enough, about Ben Rosenblueth and James Lee-Mann. And late the following day, Paul and I were sitting in a luxurious house in Hampsteed, chatting to the charismatic and spookily attractive James Lee-Mann Paul about to join the attack, but had recovered from the punch to his face, and was in

high spirits. With what sounded like exquisitely calibrated candour, Lee-Mann, who had agreed to see me the moment I got his number from a contact at the Minismoving. Blood was stream- try of Defence, was telling me about his work as a designer of war-games software. Paul was staring at Lee Mann open-mouthed, for everything about him was exceptionally cool,

T create simulacroms of war," said Lee-Mann softly, by which I mean ultra-realistic, three-dimensional, digitised, simulated battlefield computer realities in which today's soldiers, sailors and girmen can live, fight and Modern battles are

pre-fought many times on virtual-reality battlefields before they are fought for real, including - you proba-bly know this - the latest bombardments of had and the Gulf war itself.

"Naturally, the military face some weird questions. For example: if there are only unmeasurable differences between simulated hattle-tank or bombing practice and real war, why not use simulated practice to fight a real war from a safe place? At the thermonuclear level that becomes a sexy proposition. As a result. there is now a chance we earthlings will blow ourselves up during a war-game that veers out of control - or is hijacked. Then it would be boom! ... poof! ... bye-bye!" Lee-Mann, catching Paul's

eye flirtatiously, smiled sweetly. "Tell me about Ben Rossn-

blueth," I said. "Well," said the young mathematician, "for a Cro-Magnon, Ben is bright. step. Blue Eyes retreated a He wanted to set up a company to handle my patents. He stood to make a killing. but I couldn't see what Ben thought I thought he would be bringing to the party. I mean, he only knows about finance. Anyway, I'm floating a company next year. without Ben's help, which will produce commercial, video-shop adaptations of my battlefield simulacra. Obviously, the military versions will remain completely

"Obviously," I said. "But tall ma: who sent the photo of you and Rosenblueth to the people running the

Doomsday site?" "Rosenblueth's wife." said Lee-Mann. "She wanted to be rid of him." "So who commissioned the

attacks on Patrick Lawrie and the Kitzbühel office?" "Ben, of course. He's nothing without his wife's money. He's desperate." "But the photo of you and

Rosenblueth in your swimwear in Tel Aviv is a high-grade fake," I said. "I've had it checked.

"Yes." said Lee-Mann "Unarguably a fake." "You've lost me." I said. Lee-Mann sighed, and

rolled his eyes at Paul, who responded with a grip. "The photo was a fake," said Lee-Mann teasingly, "but, like all good phonies, it embodied the truth. Ben and I had a six-month affair, which only ended in Tel Aviv when I told him I wasn't going into

business with him. "But, hey, let's stop worrying. The police know the full story. I'm a protected species. I can do no wrong. Powerful people watch over me 24 hours a day, so all loose ends are being sorted. Ben will be arrested but not charged - just warned. His wife has kicked him out. His two hired thugs have been picked up and will be isiled on non-related charges. Oh, and Patrick Lawrie and his partners are receiving £875.000 in compensation from the UK government, my principal client. So everything and everyone is cool again, non?"

Paul and I are now on the Great Barrier Reef, spending some of the £17,000 we won just before Christmas with a handful of soccer bets. We I enjoy a punt, and often do well, but I never thought

we'd win that much. We will be in Queensland for at least another month. Our days are magnificent and our nights beautifully and strenuously ardent. After Kitzbühel, I still feel bleak at the thought of what might have happened to Paul when that thug slugged him, so I have instructed myself to follow James Lee-Mann's advice.

At the end of our meeting in London, James walked us to the gateway of his house, and kissed each of us in farewell. His eyes glittered.

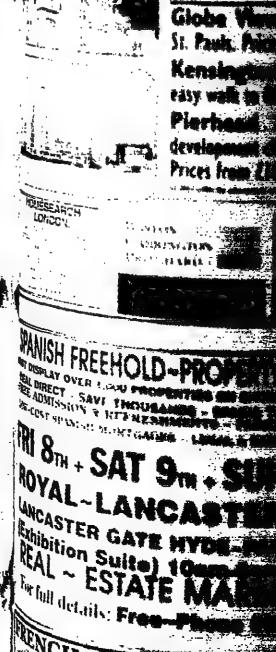
"The Endists and doom sters are right," he said gently. "Mathematically speaking, the end of the world is nigh. So don't try and be good, my friends; just try to be careful."

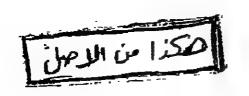
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# A third way to devise homes fit for heroes

Gerald Cadogan reports on the father of garden cities and the grandfather of new towns

ew people realise phetic city planper, Ebenezer Howard. His ideas, which date back 100 years, still have a huge impact on individuals' property decisions

His theme a century ago was "the third alternative", contained in his book lication in 1902 as Garden influential work on city plannir

His pioneer campaigning, diagnosis of the problems of how to house society and wise suggestions on how to create a better life led directly to the great Town and Country Planning Act 1947 and its successor acts. At the broadest level, these acts mould daily lives in the UK, albeit imperceptibly; at have a huge impact.

The UK's garden cities and similar developments in other countries are Howard's children, and the postwar new towns his grandchildren, as Peter Hall and Colin Ward show in Sociable Citics, a centenary review of

To reverse the migration into the cities (which sought to improve. Howard saw as essential), After 20 years of depres-

"town and country must be how their lives are shaped by the proout of this joyous union will out of this joyous union will spring a new hope, a new life, a new civilisation." Over time, the demands on planners and developers alter as they seek to reflect

social change - as in the growth of one person/one parent households, for examand mortar, the prime chal-Tomorrow, which, on republenge in a civilised society remains the same; devising Cities of Tomorrow, became and using buildings and the 20th century's most their setting to satisfy the needs of home, work, education, health and leisure, and provide a decent environment for all of them. Spurred by schemes he

had seen in the US, such as the Midway in Chicago's Hyde Park district and Washington's Mall, Howard sought to propagate links -"town-country" garden cities that would secure ("in perfect combination") "all the the individual level they advantages of the most active and energetic town life, with all the beauty and delight of the country". With hindsight it would be

easy to say that a mass suburbia was the inevitable result. But that would not be fair to the subtlety of his ideas, nor would it take account of the social conditions of the 1890s that he





sion in farming, country people had fled to the cities in search of pay and social life. But a grim existence in slum tenements turned that

Howard used the powerful image of three magnets at the centre of his arguments. He saw the city. magnet drawing people, as the sym-

bol of society; the country is the emblem of beauty. But, with rotten conditions in both city and country, the only alternative was his third "town-country" magnew towns in the country. which could provide both light industrial jobs and have an agricultural base. (Labour intensive market

Howard suggested a gar-den city of 32,000 people on 1,000 acres, with a green belt around it (for farming and health and penal institutions). The city would have a circular plan, reminiscent of Washington. A "grand avenue" would anchor the houses and gardens, and around a "central park" be envisaged a "wide glass Arcade or Crystal Palace" containing shops and a win-

gardening fitted well into

such a vision).

shopping malls.

When the first city reached its limit, an adjacent garden city would be dised cottages (the ubiqui-founded, and then another tous council houses) and in net. That meant creating until the cluster of garden cities formed a "social city". with large tracts of green space between its components. Here is a blueprint for what we now call sustainable development. To connect the parts he

envisaged a rapid transit system which, writing in the last years before cars, he dubbed "Inter-Municipal Railway". The name may be quaint, but today, when planners look for ways to cut car use, the concept is "amazingly modern", Hall and Ward note.

Letchworth Garden City followed by Welwyn Garden City after the first world ter garden. This notion leads war, when prime minister

straight to modern covered Lloyd George promised people out of the cities.

"homes fit for heroes". In the country, that led to councils providing subsi- Hertfordshire. That is the tous council houses) and in cities and new towns form a London to well-designed blocks of flats. In the meantime, garden

suburbs, notably Hampstead Garden's had appeared -"and effectively split the infant (garden city) movement ideologically", say Hall and Ward. While the suburbs looked liked garden cities, they were not the real thing. They did not have industries of their own and were nothing more than commuter dormitories dependent on a metropolis.

The next big opportunity for garden cities came after the second world war, when was the first real example, the new town became the greatest embodiment of Howard's principles - not in social thinking, the debate

But part of his dream was

overlooked, except in midonly area where the garden social city cluster, with Stevenage and Hatfield joining Howard's original developments Leichworth and Welwyn Garden.

Social priorities then changed, focusing on the resurrection of the inner cities. Michael Reseltine, when Conservative environment secretary, began the setting up of inner city corporations expressly modelled on Labour's new town development corporations, as a way to make things happen quickly and circumvent the inherent delays in council

planning processes. the inner cities established

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as 250,000 people demonstrated by marching through London last year. The government took note but has

yet to produce a plan. Inconsistencies abound, claim Hall and Ward: they say new homes in new comredevelopment and village infills cannot provide all that is wanted by the new single households or for the increasing body of retired people. They conclude that there has to be some green-

field development. Reconciling social prioritransport systems for tomorrow may need foresight such as that shown by Howard a

century ago.

Sociable Cities: The legacy With the renaissance of of Ebenezer Howard by Peter Hall and Colin Ward is pubdahed by John Wiley, £15.99 least because they brought has now switched to the paperback, \$45 hardback.

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#### OUTDOORS / PROPERTY

Gardening

# Rain is good for growth and slugs

Robin Lane Fox selects the plants which impressed him most in 1998

horseback beside two practised farmers who were lamenting the vanishing the damage to something called aquifers. Any self-respecting aquifer has had nothing to complain about. The long holiday season has been so unpredictable, so dark and so wet that our gardens are almost submerged as aquiferous channels burst through the lawns, flower beds and anything which lies downhill.

Among the wet and the dark, I have been taking stock of the past extraordipary year and have decided that the key themes were slugs and growth. Once again, they confirm my longbeld view that gardens and stock exchanges share an unrecognised relationship.

Like adventurous British investors, gardeners see their smaller prizes being cut back at ground level from mid-summer onwards while the old and trusted favourites have powered ahead, growing since July at a speed we have not seen for years. The mild rain has prolonged their exceptional progress and this spring will keep bedge-cutters on their

The final impressions of the year are those which tend to last, but I also remember a heavenly phase of early spring, carpets of all types of narcissi in flower at once, sheets of anemone blanda opening in the sunshine and a good run of

more favoured than its predecessors because the frosts came later - at least south of Birmingham - and we all had a chance to enjoy camelllas before a clear, cold night did serious damage.

Gardeners then complain that the rest of the year was cold and wet and nothing made serious progress. They are forgetting that, in 1998, borders and roses were once again a fortnight early and that old-fashioned roses had

I am one of the unfortunates who looks out on hedges over 20ft high of this beast

a wonderful window of opportunity before any rain damaged them in late June. Bedding plants were remarkably slow to make early progress as the soil stayed dry and nothing speeded into growth.

The great gainers were families which like quite a heavy rainfall in early summer if they are to flower freely from August onwards. I had some wonderful shows of flower on the crocosmias whose varieties have multiplied in catalogues during the past 10 years. Many white flowers on the tall more of us now know the magnolias before frost in orange-yellow Solfaterre and weather since September tiliser on to the bare ground

April stopped them in their the very pretty Norwich tracks. This early spring was Canary, but I have spread the net much wider into the hanging dark red flowers of one called Mrs Geoffrey Howard and a fine flower called Seven Sunrise.

Crocosmias have been great beneficiaries of the recent warm winters and as many of them appreciate rainfall during the growing season, they put on an excellent show in August.

Later in the season, the same causes worked even better effects on the many varieties of Kafir Lily or Schizostylia Like the crocos-mia, this family is grouped among the relations of the iris, but it does not start to flower until early September. They continue well into November, when the first frosts and rains spoil the flower buds. Before then, all the varieties will flower abundantly in rather poor soil which has been scaked with rain earlier in the

Here, too, named varieties have been multiplying, but the best of the many I have collected is the excellent red coccinea which is also one of the easiest to find in catalogues. Six years ago, 1 planted mine in the blank squares left between paving mes and I have found that this site suits them admirebly. Their rushy leaves soon spread and the flowers project forwards at the modest height of a foot or so as they reach out into the sun. A mild December brought most second bout of flower.

Evergreen shrubs have accelerated in the mild wet



and I never remember such around their roots from progress on three of my April onwards. The cheap and potent choice here is a favourites, the best escallonbag of dried blood, which is ias, including Gwendolyn then washed into the soil by Anley, the variegated rhamnus which is my all-time rains which fall from late favourite against a wall, and April onwards. Together the hardy and reliable with the recent deluge in British weather, this dress-Osmanthus Burkwoodii which makes such an exceling has sent my older bedges lent and unusual type of racing away after years of If you are besitating about What is good for a classy

planting strategic ever-

greens, take heart from the

ties in the past year. They

all respond to a surface

dressing of an artificial fer-

evergreen is even better for the monstrous feathery Leyiandii Cypress whose hedges such national abomination. I am one of the unfortunates who looks out on hedges of this beast which are over 20ft high, and I have to report that the second half of 1998 saw hardly credible rates of growth both forwards and upwards on old trees which I believed to have been tamed by heavy

cutting only three years ago. It will cost several hundred pounds again this spring to strip the brutes to a temporary standstill and try to restore a degree of order. If you have these monsters near you, check them again this spring because they really have accelerated in recent months.

At a lower level, I am pleased to look back on particular successes. At Chelsea the many who fastened on to the specialist displays of various types of half-hardy perennial Nemesia, I chose these plants for some of the low beds in prominent places in Oxford and can only endorse the enthusiasm of their breeders, who claim that they spread and flower throughout the summer and

The little flowers come in be coming on this year, but I dozens and are a reddish have had fantastic value from these free-flowering pink on thin stalks, but the small bedding plants and entire plant is transperently

they turn up again in May. At a different height altogether. I have also been delighted by an old favourite. I owe it to the writings of the great Edwardian plantsman, E.A. Bowles, who best of the mallows...a goodly possession which grows 12ft or more and is time, and puzzle both wonderfully elegant and light in its branching". It is a type of wild hollyhock with leaves like a plant of cannabis, but nobody has vet arrested the neglected Althaea Cannabina. It is a this century. So much that is plant for late August - outstandingly light and emphatic and an absolute

winner in any flower bed

slender and airy so it does recommend them all when not block the view to lower subjects around it. Mine stopped happily at 4ft and despite advice, I never bothered to stake them. They are one of those overlooked architectural plants for late summer which will grow anywhere, make an impact in groups, or only one at a experts and non-gardeners who mistake them for what they are not.

Not all the best plants are new and it always pays to read the experts from earlier new keeps flooding us that we fail to pick up on existing observations made long before when choices were



Traditional style IN AN IDYLLIC LOCATION.

VIII saanan 19. kuu ja keessa maan maan maan maan maan maan ka 1985. Sansa



THE MILL HOUSE AT BASTED MILL.

the impressive Mill House, reflected in the With its Kentish Ragstone exterior it is tranquil mill pond, provides the first glimpse of Crest's undoubtedly an attractive borne - and with six bedrooms,

new development near Sevenoaks, Kent. Basted Mill is situated in a wooded valley where the River Source flows alongside a village green but it is also within easy reach of rail and road networks. The Mill House is set within 1/4 acre of

Approaching Basted Mill along a quiet country lane, grounds, including woodland, in this idyllic location.

three featuring on suite, it is also one of

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On the Move

## Let the vendor beware

Anne Spackman on proposals to change the house-buying system

sumer-friendly response to the government's proposed changes to the house-buying system in England and Wales has been published by the National Association of Estate Agents. it not only supports the general thrust of the government's proposals, but suggests they go much further. Most fundamentally, it rec-

ommends abandoning the principle of caveat emptor let the buyer beware - in layour of caveat tendor Last month the UK goverrument produced a consultation paper aimed at tack-ling the slowness and inefficiency of the present house-buying system. It rec-ommended that much of the information obtained by the buyer after an offer has been agreed should be

the market. The key aim is to reduce the time between offers being agreed and contracts exchanged, when many deals fall through.

obtained by the vendor

before the property goes on

The reaction of a number of estate agents and property organisations has been that the system ain't broke, so it don't need fixing. A typical response comes from Penelope Court of the central London agents, Beauchamp Estates: "The proposals could set up obstacles to the smooth handling of a process that has worked efficiently for many years."

Some members of the National Association of Estate Agents might agree. but their report takes a very different view, as it is based duce a pack which includes on work by Tim Kaye of Biramong other things a conmingham University, an tract of sale, draft plans, a independent legal academic. local authority search and He describes the existing details of any boundary system in terms more familiar to the buying and selling of the government's propospublic: "It would appear to be highly defective and in need of root and branch



dogged by uncertainty, delay delays in the NSW system. and distrust. The key prob-Even without it, he says, lem is that offers agreed gazumping has virtually disappeared and legal disputes "subject to contract" have no legal standing. Buyers have proved rare. and sellers can withdraw at The issue of vendor surany point up to the date of veys has produced the stronwritten exchange of con-

Kaye's solution is similar to the government's, only more radical. He believes salling homes should be like selling other goods, with the seller legally required to be open and honest. The principle that the buyer should be responsible for digging up any defects in the property is at the root of the problem. he argues.

tracts - and often do.

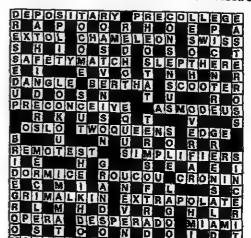
system based on that used in New South Wales, Australia. There, the vendor has to prodisputes. This is the essence

Kaye would also require vendors to provide a survey. He argues that this is the Kaye says the system is only remaining cause of erty industry. Many have argued that buyers will not believe surveys produced for sellers. Kaye says buyers, as borrowers, already accept the surveys done for lenders. Moreover, he argues that negligent surveyors are already liable to both buyer Kaye says he appreciates the problems involved in transplanting ideas from one

country to another, but with the housing market and the legal system in NSW very similar to those in England and Wales, he says it should be possible. He has produced a draft bill based on the NSW Conveyancing Act and the UK Sale of Goods Act

The bill includes provision for the future establishment of a system of public notaries to handle property transactions, as happens in many European countries, including France and Germany. Kaye accepts that this is an idea for the long-term and that he has given the government and the industry quite enough to be going gest response from the prop- on with for now.

Christmas Crossword solution



Winners: Alison Chisholm, Birkdale, Merseyside; J.R. Osborne, Ashtead, Surrey; J.M. Rogers, Cross Hills, smart in colorado

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Skiing

# Grooming is so smart in Colorado

Arnie Wilson on how Vail has coped with the season's start

arrived in Colorado, Vail's daily newspaper greeted it with: "So that's what snow looks like. For a while it was tough to

But, said Pete Seibert, the man who founded Vail almost 40 years ago: "God-damit, we still need more snow." Jure enough, almost a foot arrived just before

And just in case the Christmas spirit did not affect everyone, there was the unusual sight of a security operation at the bottom of the Eagle Bahn Gondola. Cinda Ray and Brian Hoffman, two police officers, were registering, in case of theft, the numbers stamped on people's skis. In spite of sketchy conditions, new skis were everywhere.

Runs such as The Woods, and Dealer's Choice were skiing well. Other family favourites, such as Born Free and Christmas, were also in good shape. So was Lodgepole, a particular favourite of mine, which provides an exhilarating rollercoaster ride to the bottom of

I also tried Beaver Creek, just 10 miles away. I let gravity engulf me, on the superb Centennial Trail, allowing the Rossignol Bandit skis clamped to my new X-Scream boots to purr their

way down. Sometimes flying, somethe village base. It is grooming like that - even when

hen the first ing. Such is the efficacy of decent modern ski equipment and snowfall of Colorado grooming that I December needed to do almost nothing to travel down more than 200 vertical feet.

As one group of earlyseason British visitors said before the Christmas snow-falls: "Stop apologising for your snow. We think it's

In a topsy-turvy December Mammoth and Lake Tahoe were deluged with snow, there were falls in Phoenix and Las Vegas, but Colorado struggled. Nevertheless, it was still cold enough to make snow. The combination of artificial snow and sunshine cheered up skiers many of whom seem content to ski Beaver Creek and Vail, its big sister-resort, even in limited circum- paying clients arrived.

Vail is, after all, the biggest single ski mountain in the US and, even with many rums closed and a lift still out of action following arson attacks in October, there was plenty of good skiing.

On North America's east coast, however - traditionally colder than the west there was such a warm start to December that on some days snowmaking was

This led to Tremblant, in

in the Rockies, the snow brought a smile back to the face of John Bennett, the Scot who runs Ski Indepentimes floating, with one final lot on his mind - would bished chalet actually work? skiing in the US so exhilarat- test the product before the chief executive officer, tele-



There was a slight panic when several of us reported having cold showers one morning, but Bennett, who had just spent \$6,000 overrolled his eyes and rolled up his sleeves to try to fix that

For quite a few dollars more, he discovered that he would have to install two new tanks. Guinea pigs have did not work (good). And we Quebec, having to close for a with him about the low level of lighting. Bennett does not like bright lights. A trifle reluctantly, he let his guests

To no real avail.

(us) over-rule him. The Ptarmigan, Bennett's dence, now in its fifth year, chalet, is tucked away in a in North America. He had a glade of aspens on the eastern outskirts of Vail. So swoop I found myself back at everything in his newly tucked away, in fact, that purchased; newly refur-bished chalet actually work? Rather important people. On He had taken something of a the night of my arrival, usual quality - which makes risk, inviting journalists to Adam Aron, Vail resort's

phoned the local police several times for directions on invalided out of the army his mobile before dropping me off on his way home.

Two nights later, Pete Seibert - guest of honour at a dinner party thrown by Bennett - was unable to find it

It has cost more than \$100,000 to refurbish the chalet completely

and drove home. To make up for his absence, he entertained us the following day at the exclusive Game Creek Club (membership \$26,000, plus a yearly subscription) on the flanks of Game Creek

Seibert, a former US racer, was one of America's celebrated 10th Mountain Divi- \$100,000 to refurbish it with a deceptive but formidable

sion troops until he was new bathrooms, a new invalided out of the army kitchen and a hot tub. "The after his kneecap was smashed by shrapnel in Italy during the second world

Although now in his 70s, he still skis with panache. "I'm alive, upright and above ground," he says. He is not too keen on the new type of carving skis. "They their own," he adds.

Having made amends for being a no-show at dinner, Seibert prepared to ski off along Ragies Nest Ridge and head for home. Bennett from October's arson again invited him to dinner attacks, although how the - in the hope that next time he will successfully locate the Ptarmigan, his flagship

Bennett bought it because dard be felt would sit comfortably in the Ski Independence brochure. Even then, it has cost him more than this winter is the mudslide.

Ptarmigan is a comfortable. attractive, thoroughly modernised chalet, with brand new ensuite bathrooms,"

lua and Baileys made by the

bucket-load at the Sonnen-

The newly refurbished

Lodge at Vail offers a partic-

ularly good and hearty ski-

ers' buffet for \$23 (a cheaper

version - soup and salad - is

available for \$16). Alterna-

tively, you could always take

lunch at the Game Creek

Club. If you happen to have

Broughton Market, Edin-

burgh, EH3 6NU Tel:

0990-550555. E-mail ski@ski-

independence.co.uk, The com-

pany specialises in skiting in North America and offers 27

resorts in the US and Can-

ada, with a choice of calered

chalets, hotels, condominiums

and tailor-made holidays.

The Ptarmigan is a four-star

chalet and sleeps 12 people in

six bedrooms. Prices from

Independence.

■ Ski

alp's Bully Ranch bar.

"We feel we have cranked up the traditional chalet ambience without going in for out-and-out luxury. And our prices reflect this. We are substantially more reasonable than operators at the luxury end of the mar-

Out on the slopes, Vail seems to be recovering well resort will cope with the disastrous loss of its enormous Two Elk restaurant as skiers flood the resort in high season remains to be he was unable to rent a seen. Fortunately, there are property in Vail of the stan- good restaurants at the two main base areas in Vail Village and Lionshead

E669 per person including The "in" après-ski drink stights, transfers and breakfast, afternoon tea and dinner with which

#### .update.

■ The winter ski holiday is now roughly 100 years old, which means that it can safely qualify as an antique. Certainly Christia's South Kensington auction house has been quick to cash in on the traditions that a century supplies.

Last February it held its first skiing poster sale and sold virtually every item. On February 25, it is repeating the experience. This time, as well as 350 posters advertising all the main resorts from Chamonix to Gstaad, from Davos to Klosters, there will be oils and watercolours, ceramics and bronzes, all with a skiing theme.

With prices ranging from £100 to £4,000, this will be an easy way to acquire some skiing nostalgia. The top prices are likely to be paid for historic posters, in particular a design by Francisco Tamagno of a couple, arms outstretched, jumping down a mountain, which around 1900 aimed to entice the first skiers to take the train to the slopes of Chamonix. It

carries a top estimate of £5,000. A slightly later advertisement by Abel Faivre, showing a pretty girl taking to the slopes in a long dress and grasping just one ski pole, might go for nearer £2,500. Winter tourism began at St Moritz in 1884, with

skiing arriving soon after, and the resort produced many of the most memorable posters, including a famous image of a giant rabbit by Alex Diggelmann in 1935, estimated at up to £1,000.

There are also bobsleigh posters, and ice-skating, hockey and tobogganing posters. There are vases decorated with aklers and pottery groups of skiers. books and early ski equipment. There are also items for the car - a Riley and a 1936 Winter Otympics car plaque.

If skiing conditions look poor, the enthusiast can switch money saved on a holiday into this

**Antony Thorncroft** 

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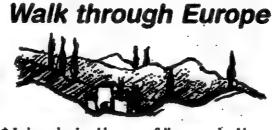
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TRAVEL

# The popes had a point when it came to aperitifs

Nicholas Woodsworth relishes the region of France where he's made his home

sunshine a year - that indeed bring lace to mind. makes it so alluring? The idle one. Twenty years ago I had chosen to live here.

There are, of course, any number of places of great southern charm stretching cross Europe from Portugal to Greece. All are bathed in sunshine and ineffable Mediterranean light. All make greater or lesser claims for their landscapes, their stone farmhouses, their goat's cheese. their beautiful women and a host of other felicitous things. One could go on making such lists

Yet I could not explain in any succinct or comprehensive fashion what it was that made this particular place so attractive to me.

Such were my perplexities not long ago as I sat, a midhand, at the top of the Dentelles de Montmirail. The Dentelles are one of my favourite places in Provence. Striking formations of silvery-grey rock, they rise precipitously out of the plain on the edge of the Rhône Valley in the département of the Vaucluse. From here the views are nothing less than

"Dentelles" means lace, and I can see the reason for

hat is it spine of rocks that runs about Prov- along the top of this densely ence - apart forested massif is so delicate, from 2,500 so thin and finely worked by hours of aeons of erosion that it can

High in a rocky cranny, I question for me was not an gazed over northern Provence. Away through the milky air, across a flat Rhône Valley drenched in soft sunshine, I could see the hills of the Cevennes.

To the north-east lay the rugged Barronies - the first of a set of ever rougher foothills climbing to the Alps. Behind me rose the silhouette of 6,000ft Mont Ventoux, the highest peak in Prov-

Everywhere else, lapping at these prominences like a sea on fire, stretched endless vinevards that in this season wore brilliant tones of red

thought, I could sit and simply gaze for days. Autumn was a good time for such laziness. The hectic round of summer festivals was over, the crowds of visitors had gone home, the all-important grape harvest was safely in. Balmy and basking, the whole land lay in a kind of easily do the same.

On the other hand, I reflected. I could make the 35-mile tour of the country roads that encircle the Dentelles. It is one of the prettiest circuits around. Somewhere down there, perhaps,

tion. Brushing away the last buttery crumbs of pastry, I the small village that lay

below the rocks. Gigondas is old. The ruins of its stone citadel, its ramparts, hospice and monastery all speak of a medieval past. But its name, a derivation of the Latin jocunditas, or happiness, speaks of even older origins. Like Vaison-la-Romaine, some 10 miles to the north on the Dentelles circuit. Gieondas was settled by the Romans.

Why happiness? Perhaps because while Vaison was a busy garrison town - these days it is a delightful place of street-markets and musicfestivals - Gigondas was settled by retired Roman soldiers who devoted themselves to wine. They established a reputation for inspired wine-making early on - Pliny the Elder mentions them in his first-century "Natural History". The village has not looked back since. Today, of Gigondas's

Off I drove southward through the vineyards, past wine-cellars and sturdy, foursquare Provençal farmhouses, past olive groves and shady stands of Mediterranean pines. The road was quiet and, apart from the occasional pop of a distant boar-hunter's gun in the Dentelles hills above me. so too was the countryside. omnolent in the sunshine.

700 villagers, 650 are still in

It is not always so. Every the main square, tables are laid in the shade of plane served al fresco to hundreds of celebrants.

in every narrow, winding street, stands are set up for the free and unlimited consumption of Côtes du Rhone wines. One simply grabs a glass and, amid music, merrymaking and dancing, sips the Dentelles?

Multiple crossings are not

Three miles past Vacquey ras, I grabbed a glass of my own. There can be few better towns to come across at aperitif time than Beaumes de Venise. Its Muscat is as close as anything I know to nectar. The popes of Avignon thought so, too; in the 14th century they purchased their own vineyard here. In the town's wine co-operative I sampled three different mber-coloured Muscats. Liquid sunshine, they were

> The Dentelles looked very beautiful and very undiscovered

all so good I came away with

A good aperitif deserves a ood lunch. A short drive from Beaumes around the bottom of the Dentelles brought me to the village of Le Barroux. Which was the more impressive, its château or its restaurant? I am not sure. The massive 12th century castle on the top of the by extravagant watchtowers. My meal at the charming Les Geraniums, a brouffodo Even Vacqueyras, the next d'agnecu à l'Avignoraise town down the road, lay stew of lamb, green olives and preserved orange - was also ornate. It, too, was preceded by extravagance - a ers of tomato, black olive and paraley omelette.

trees and vast meals are lot I met Janet Norton, a modern Freya Stark who, equipped with walking stick, pack and a stout pair of shoes, was researching a book on walking in Provence. What did she think, I asked, of the many trails that criss-cross the forests of

Norton, I had the impression, likes to be one of the first explorers to reconnective a region. Peter Mayle's books were unfortunate, she replied - the British had discovered Provence. It was all the more surprising, then, that the Dentelles walking trails had not been disons ered. They remain, she affirmed, very beautiful.

se tiles

MacHonny in

I desisted from remarking that when it came to back, country incursions by foreign scribblers, Peter Mayle could be regarded as an absolute late-comer; in the 14th century the Italian post Petrarch had made the ascent of Mont Ventoux and written about it.

But Norton was right. I thought, as I drove up into the Dentelles massif to the hamlet of Suzette. From the high, isolated, end-of-theworld spur on which Suzette sits, the Dentelles looked very beautiful and very undiscovered indeed - forests of pine, oak and the arogrowth known as garrigue stretched into the distance. No matter what sophistics. tion lies on the other side of these hills, it is still possible to get seriously lost here.

By the time I reached Crestet, a couple of miles from Vaison and near the end of my circuit, I thought I might have at least part of the answer to my question. Relatively unknown. Crestet is one of the most enchanting and best-preserved medieval hill-villages in all Provence. Strolling through its steep and crooked stone streets, I saw that barely a Built of local materials and arranged along the natural contours of the hillside, everything - church, houses fountains, squares, arcades fitted together in a wonder fully integrated whole.

And that, it seemed to me. is what makes the Dentalle and many other parts of Provence so alluring. It is not a question of lists of many separate things, but the fact that these things at in immediate juxtaposition and still fit beautifully

Men have lived here fi thousands of years, exploi ing this land intensively. Ye and the cosmopolitan, the wild and the civilised at mountains, music festivals. vineyards, châteaux, street markets, ourrique and all the rest - nothing overwhelms anything else.

There is some sort genius there. Add to it a k of sunshine, I thought as drove home to my own little village, and you have some where to live.

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#### TRAVEL

The Spanish town became bigger, but it never wholly lost the aristocratic cachet it possessed at birth. Giles MacDonogh explains why

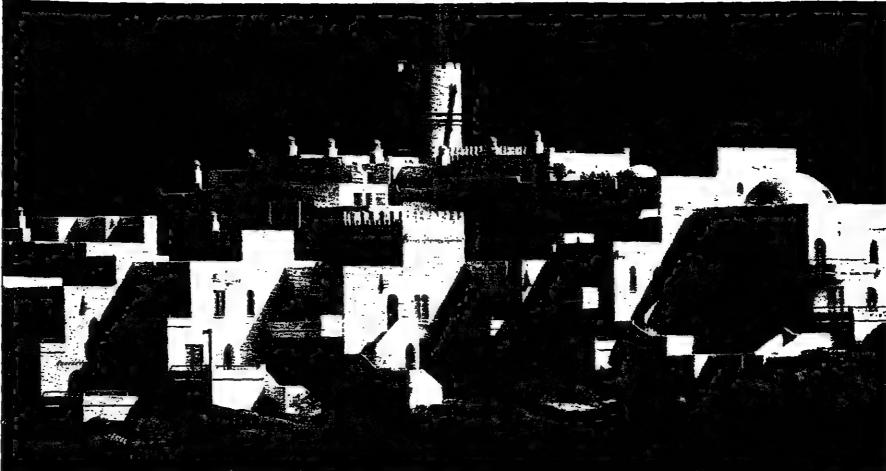
t is not given to many people to have the main street of a large town renamed in their honour: even fewer receive that accolade in their own lifetimes. Nelson Mandela is certainly already the dedicatee of several boule-vards, but with the exception of Prince Alfonso de Hohenlohe in Marbella, I am hard-pressed to offer you any others

Hohenlohe is very much alive and busy. I met him at cian town of Ronda. He lives between there and Mexico in hyperactive retirement. When he is in Spain he is just 11/4 hours' drive from Marbella, the town he created half a century ago.

The prince is the product of a more genteel Europe which was shaken by one world war, and all but wiped out by another. The high-sounding name originated in German Franconia. but his branch of the Hohenlohe-Langenbergs lived in Bohemia until Czech nationalists and communists drove them from their land after 1945.

He was fortunate in having strong links with Spain and his family not only possessed a finca near El Escorial, but they also owned the old Malaga wine firm of Scholtz Hermanos. His mother was the daughter of the Mexican ambassador to Vienna and Hohenlohe's father met her at a bail there in the 1920s. When a child was born he was named after King Alfonso XIII, and a Rattenberg princess was appointed as a godmother.

After the war the Spanish inheritance came into its 1946. Hohenlohe and his



# The prince of Marbella

and Málaga in a Rolls-Royce powered by a charcoal burner. They stopped on the road and went for a swim.

There was an old farmhouse but otherwise nothing. Instantly, however, they saw its potential. Soriano bought the house and Hobenlohe convinced his father that Andalucia would be a far better place to spend the summer than San Sebastian. where the weather was capricious and it occasionally rained. They sold off the cellars in Málaga and invested the money they obtained by building the first house in "Marbella".

In its initial incarnation, Marbella resembled a new Marlenbad: an exclusively own. One now famous day in aristocratic watering hole.

travalling from Gibraltar to come: Bismarcks and Metternichs fed up with postwar austerity. At first they stayed in the house as paying guests, but as Marbella gained in popularity they ran out of room. Hohenlobe's house was sold to the Rothschilds and the farmhouse was turned into a the famous Marbella

> "They came in waves," says Prince Alfonso. After the noblemen, it was

the Gibraltarians, who wintered in the new resort during the 1950s. They were succeeded by pieds noirs (rich colonists from French and Spanish north Africa), the English and the Arabs. Hobenlohe counts it as a personal coup that he managed to lure in the crown prince -The displaced grandees of now king - of Saudi Arabia



Prince Alfonso: keeping Ising

accommodation at the last

The prince liked Marbella and later constructed a replica of the White House for himself and surrounded it by a huge park. Hohenlohe turn the Arabs out, Alfonso de Hohenlohe brings them

Marbella got bigger and bigger, but it never wholly lost the aristocratic eachet it possessed at its birth. Northern Europeans came for the winter, Spaniards for the summer. In the 1950s, Hohenlohe created his first "disco" in the Beach Club, where he was later to introduce stereophonic sound to Marbella at Tuesday and Friday night rave-ups. Until then, music had been live; 'People simply couldn't believe their ears."

It was a success. Hohenlohe attributed it to "the style, the gardens, the security and the climate". Hotels were starting up all over the new town. The Horcher fam-

[Ferdinand and Isabella] rateurs of the Third Reich, one of those selling. came out of exile in Madrid to open La Fonda. By 1978, however, Hohenlohe's vision had been eclipsed: Marbella

had gone out of control. He sold out and 15 years ago be bought the estate near Ronda. At a safe distance he could watch the developments and the most recent waves. The Russians have been the latest, blazing a trail involving some death and a little destruction.

More controversial is the mayor, Jesus Gil, who seems anxious to restore the imbalance in the town's budget by making the last of Marbella's green spaces available for building. No one appears to know how many people live there, but estimates are in excess of 100,000. The resort is losing its exclusiveness; the actor Sean Connery is

I asked Hohenlohe what he thought of all this. He shrugged and smiled, but he was clearly concerned: "Marbella is like my son. I don't want to spoil my son."

He has other concerns now. There are his vines, 50 acres (20 hectares) around his country house. Some time after he moved up to Ronda, Hohenlohe was visited by the wine-making Marqués de Griñon.

Like Hohenlohe in 1946. Griñon saw possibilities. On the advice of the oenologist Michel Rolland, soil samples were dispatched to the University of Bordeaux. The sciantists were impressed and in 1991 Hohenlohe set out to make his own version of his favourite wine: the first growth Château Cheval Blanc in Saint Emilion.

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There were problems at first. His first Tempranillo, Cabernet Sauvignon, Merlot, Petit Verdot and Syrah plants were held up by customs on the French border. Hohenlohe had just celebrated his latest wedding, an event which had been given considerable space in the gossip magazine Hola!. When the officer heard Prince Alfonso's name be stood to attention: "That Prince Hobenlobe!" The vines continued their jour-

ney to Andalucia, In 1992, Hohenlohe already had 10,000 litres of wine: the first to be made since phylloxera destroyed Ronda's vineyards a century before. Last year he made 110,000. I was sceptical about this strange "Saint Emilion" aged in old Margaux barrels in the wilds of Andalucia, but I had to drink my words. Both the 1996 and the 1995 were rich, sinewy, distinenished wines. The 1995 is the better of the two, with a jot more staying power than the 1996; but then, neither is exactly weedy.

The wine venture has paid off. Already the Madridbased Club des Gourmets has purchased a quarter of his stock and he has opened a restaurant on his estate where visitors can enjoy the wine along with Hobenlohe's own ewes' milk cheese, olive oil, ham, wild boar and par-

tridges. You would have thought that the vineyard was sufficient for a retirement project, but no. Hohenlohe is looking at the other side of Andalucia: to the unspoilt coast of sherry country and Sanlucar de Barrameda, Here he hopes to open three hotels in the immediate future: one in the port, with its associations with Christopher Columbus, and two in the country on land reclaimed from grubbed-up vineyards complete with golf

courses and tennis courts. If this latest dream comes true, who knows? He might get a boulevard in Sanlúcar

For inquiries about Hohenione's wines, or the restaurant, call +34 95 11 41 81 or 95 21 65 201. ■ GB Airwaus (tel: 0990

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#### MOTORING / SPORT

Motoring

# Country cars for thrusting townies

Stuart Marshall on 4 x 4s that are a far cry from the old toughies

used to be when there were only two wheel drive vehicle. There were rough, tough, working types for farmers, and tarted-up recreational versions for people who fancied driving something that smacked of broad acres, even though they would be used in exactly the same way as nor-

The rough toughies still exist but form a tiny minority. Most 4 x 4s are now niche vehicles, bought as alternatives to all kinds of car, from luxury saloon to roomy estate, family hatchback to sporty two-seater.

Towards the end of last year several new 4 x 4s and Jeep's New Grand Cherokee among them) made their bow, and there are signs the rush will continue this year. Manufacturers, or at any rate their advertising agencies, continue to promote the idea that all 4 x 4s deserts, ford raging torrents, and climb snowy mountains. In most instances, this is pure myth. Actually, it becomes harder as each year passes to find rough terrain on which to bang around in a 4 x 4 without offending the law, environmentalists or both Land Rover, however, reckons that almost one Discovery owner in four goes off the road each week. I find this hard to believe, unless going off road includes pavement parking outside the paper shop, or mounting

grass verges on narrow

country lanes during the And yet, because manufac-turers believe their customers insist their vehicles must be able to cope with wild have a built-in suspension

Two of the best-known -Chrysler Jeep and Land Rover - have long been wedded to beam axles simply because nothing beats them



similar off-roading jollies. Most other manufacturers adopted independent front suspension to smooth the onroad ride and make handling more like a car than a truck. But change is in the air. With the Freelander, which it admits is aimed at owners who will spend all, or nearly all, their time driving on hard roads, Land Rover broke away from its onlybeam-axles-will-do philo-

or less like a proper off-road vehicle, but rides and handles on road like a normal car. So do the Subaru Forester and its bigger brother, the Legacy Outback, which tackle the problem the other way round. They are proper estate cars, but have allwheel drive and enough ground clearance for as much off-roading as most owners have in mind.

Freelander still looks more

The US-built Mercedes M-class on-off road vehicle, which comes to Britain in a few weeks, has fully independent suspension and, I am told, ride comfort and road performance generally closer to what one expects of Mercedes saloon than any rival 4 x 4. (I shall find out for myself later this month.) Its off-road mobility depends on all-wheel drive

with electronic systems that curb wheelspin and allocate power to the tyres with most grip. In extremis, a beam-axled Land Rover Discovery or Jeep Grand Cherokee might well leave an M-class flourdering - but is this important to 99 per cent of customers? Mercedes thinks not.

BMW has similar customers in mind for its latest product, the X5 sports activity vehicle, which makes its debut at the Detroit motor show today, goes on sale in year and reaches Britain in MUDDAYOR 7 2000.

It has all-wheel drive and electronic hill descent control (ploneered by Land off-roading but its habitat will be the country club, not

the boondocks. BMW says sports utility is alive and the X5 has the agility of one of its saloon cars plus space and practicality. In size, it is Jimny that reached British buyers last autumn looks closer to a 3-Series Touring smart enough to use around than a Land Rover Discovtown. But, as it has a proper ery. Engines will include a new 3.0-litre common rail mission and ample ground turbo-diesel combining clearance, it is also a surprisexceptional muscularity ingly competent performer with the potential fuel econover what one might call omy of a small family car.

Audi, too, has just Land Rover country. announced it is going to Possibly encouraged by the continuing success of make a car cast in a similar Chrysler Jeeps in Britain, mould to the BMW X5. The General Motors has decided Aliroad Quattro, that will start coming off a German to dip its toe into the premium four-wheel drive marembly line in February next year, uses an Audi A6 ket with the Chevrolet Avant body but has three-This 4.6-litre V6 4x4 stage, height-adjustable air suspension and a reduction estate car has manual or automatic transmission, a gear transmission for tack-

diesel, will be offered.

ufacturers. But the more

ling difficult terrain. Two V6 very good on-road ride apart from the inevitable engines, one a petrol unit rear-axie thump on broken surfaces – and understated with a double turbocharger, the other an advanced turbo lines. Prices from £22,925 More affordable cars simi-(manual) to £24,925 (Lux lar to the X5 and Aliroad Auto) are quite keen and the Blazer will be available from Quattro are likely to be Cadillac dealerships in the offered by high-volume man-

UK in a few days.

buy than a Bentley Turbo R. An Audi AS 2.8, BMW. 735, Jaguar XJ8 4.0 and Mercedes S-class 2.8 all cost more new and these are the poverty models; even the cheapest Range Rover is more. Not that I would recommend the Turbo R as an everyday car. You would soon find the

running costs enough to understand the attraction of continental rivals. If the annual mileage could be kept below 7,500, the mathematics start to make sense. Fuel consumption, that most visible of expenses, would not be cause for complaint if depreciation were

Nobody would be rash enough to claim this Bentley will not lose further value, but it will do so at a steadier rate than anything more modern. Insurance can be cheap on a limited mileage basis and maintenance can be contained if a reputable (but not franchised) dealer

What will the money buy you? A truly magnificent car that will cosset you in quiet comfort, although no longer in clock-ticking silence - that died with quarts and aluminium engines giving high output sufficient to move a heavy car at indecent speeds. The highest quality leather

the niggles from Scandinavian cows covers large areas and there's a silky swathe of burr walnut from Italy. To see the wood when thereare no instruments in the dashboard is a triumph of craftsmanship. Few appreciate the subtlety of the mirror image wood and its individuality.

Luxury notwithstanding there are some irritants. Wind noise can stifle a conversation and leather's low friction might mean passengers bump into each other. All this will only happen though at the illegal speeds this car can

The chassis was never designed for the inputs the Turbo R is capable of and it often complains as it goes about its work. The car is, of course, sizeable and could be a tight fit for

the parent. Nevertheless forget all the niggles. Buy it and enjoy the car for what it is. Sit in traffic jams noticing how uncomfortable and small all the other cars seem. Adjust the sound system to drown out the few remaining external distractions.

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You may not admire this car's looks but you will love its abilities. Start a journey tired and end it

**Anthony Cazalet** 

n unexpected even polgnant -spotlight was thrown on boxing in the UK's New Year Honours List. Both world featherweight champion Naseem Hamed and his former trainer, Brendan Ingle, were awarded the MBE, with Ingle's citation mentioning "services to disadvantaged young people" at his gym in a blue-collar suburb of Sheffield, in northern England.

The most celebrated of Ingle's protégés is undoubtedly Hamed. As the sevenyear-old son of poor Yemeni immigrants to the tough steel town. Hamed was aiready an accomplishe street-fighter when ingle introduced him to the ring. Seventeen years later, the champion is unbeaten in 31 fights - including 28 knockouts - and a multi-millionaire.

in the post, commentators have fallen over themselves to praise Hamed's speed, strength and aggression. while fight fans have rated him the most exciting boxer at his weight that Britain has seen. His cool, street-Smart style has made him, at the age of 24, an icon for millions of young people and audience. In Middle Eastern countries. Hamed is the bestknown sportsman in the

However, what the government's advisers could not have foreseen was that two weeks before the announcement of their honours, Ingle and Hamed would part company when a simmering foud became an acrimonious divorce. Two men who had been like father and son, conquering the world together, parted on bad

Ostensibly it was about money, ingle was aggrieved that his £75,000 trainer's bill for a fight in New Jersey last autumn was still unpaid. In reality, both sides were growing apart. Hamed seeking independence, as young men do, Ingle finding it tough to see 30 years of expe-

The publication of The Paddy and The Prince: The Making of Naseem Hamed, by boxing writer Nick Pitt was probably the final straw. world champion and Sky TV Ingle had given Pitt generous access to his thoughts gan. "He needs to excite and memories, and although the best-selling book was far do that by fighting dangerfrom one-sided, to impartial readers Hamed came across as something of a brat. However, the boxer has

more pressing problems. He is scheduled to defend his title in March and at present has no trainer. After the

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The boxer still known as Prince fighting Wayne McCullough, in Atlantic City in October last year

#### **Boxing**

# Profit and honours

But Naseem Hamed's career is coming apart, says Keith Wheatley

where he has trained every Hamed brothers who now form Naseem's "management entourage" say an American trainer has been signed, but will give no

Hamed's last few fights have been lacklustre affairs. with the champion struggling to prevail. His next match, against an as yet unknown opponent, needs to he significant if he is to reestablish his momentum.

"He's at a crisis point in his career." says former commentator Barry McGuipeople again and he can only ous opponents. Naz badly needs to reaffirm his posi-

"I think he's got carried away with his own importance and started to believe his own hype. Plus [there is] the oldest problem in boxing when the mean, hungry fighter becomes the rich young man about town and loses his appetite for the game. He'll need a good

trainer.' Ingle, for one, will not be tempted back. "Naz started to say whether it will be want to be in it, to be in the going off the rails about four years ago," he says, "neglecting his technique, especially

split with Ingle, the gym footwork and movement. He just wanted to knock everyday of his adult life is no body out, banging them longer open to him. The about, I don't need it any body out, banging them more. I've plenty of good

young lighters coming on." With Ingle out of the picture, one might expect Hamed to be looking to promoter Frank Warren to provide continuity in his young life and career. However, relations between the two

The gym where he has trained every day of his life is no longer open to him

have been strained since last October's fight against Wayne McCullough in Atlantic City. There was a muddle over

entry visas which kept the boxer delayed in London for two days, for which Hamed blamed Warren. Feelings grew so sour that Warren threatened to return to at his brother's request England just 48 hours before rather than through perthe bout

working with Warren in

ply says there are a number his affairs," he explained in anything can be settled. With his high court battle against Don King due to Hamed, the family will still

start in London on Monday, and a subsequent battle against the taxman looming. his own, and that's not a per-Warren probably has more urgent matters on his mind. "Legal cases seem to be what Frank is all about.

There is always something worries and the nearer you he wants to stand up in court and fight over," laments Riath, who has progressed steadily towards controlling the business side thing a boxer needs." of his sibling's career during the past three years. Riath has a degree in politics and worked as a local authority translator before moving to what has become the family

The whole operation has now moved into plush offices in a converted confectionery factory in a fashionable Sheffield suburb. The corporate HQ is called Prince House and runs smoothly in the marketing of its single product.

Riath has often said that he assumed his present role sonal interest in the fight Hamed's camp is unwilling game. "At first I didn't really boxing game, but Naz said Naseem's older brother, sim- than anyone dodgy handling what Frank has done."

The Paddy and The Prince. McGuigan says that even

if Warren is history for need an experienced promoter. "Riath can't do it on sonal criticism of the man," says the former world cham-"A promoter has so many

get to the fight the more

stressed he becomes. Riath is

up on that, which is the last Even Ingle, not exactly an impartial observer, believes that his former charge is more in need of a prod-uctive relationship with a top promoter than anything

else at present - even a

"To succeed in boxing three things have to be right: the fighter, the trainer and the promoter," says Ingle. "And the most important of these is the promoter. Frank Warren did an unbelievable job for Naz, made him the highest paid feather-

weight in boxing history. "He's talking about fighting at lightweight, being his own manager, and all that under the guidance of a brother who doesn't know the time of day. Riath future. Riath Hamed, he would rather have me couldn't begin to do for Naz

Michael Thompson-Noel

## World soccer boss puts it in the net

century sport is elbowed

suggested that soccer's World Cup finals, which are the showcase for the planet's naut that is soccer. most successful sport, be staged biennially, rather than once every four years. The suggestion provoked squawks of incredulity, but Blatter's critics gravely

underestimate their man. There are two reasons why soccer has become the most is a truly fine game, to whined. "We cannot eterwatch and to play; 2) at nally expand, hoping to mul-Fifa's level it has been managed by men of intelligence. Initially, Blatter indicated he wanted the first of his

Mennial World Cup tournsments in 2008, with regional qualifying events in oddhad to change his tune, to make clear he does not want and rational". the World Cup to collide with the summer Olympics, which are staged every four years, in even-numbered years.
There is now speculation

that, if the two-year format is approved, the World Cup finals will be staged in all odd-numbered years. "One can start changing the calendar from 2005 on," Blatter said in Zurich on Wednesday, after a chat with Olympic president Juan Antonio Samaranch. And he agreed that it would have to be seen whether "society can digest this amount of football".

cer's ruling body, is bodies for control of the soc- forgotten about. In fact, the man likely to cer calendar, and of money make most headlines when and power. But the plan also the tired old business of 20th increases the pressure on other sports, major and aside by the shiny, pushy minor, including the Olymmeta-business of 21st cen- pics, to get their houses in This week, Blatter efficiently for international sponsorship and TV money against the planetary jugger-

The top men at Uefa, which runs European soccer, were sniffy at the way Blatter is out-gunning them. Uefa's general secretary, Gerhard Aigner, said that Blatter's plan could have financial repercussions. "Economically, the market is popular sport on earth: 1) it not inexhaustible," he

> tiply the profits." says his scheme is "a concept that I have examined in great depth and which can be described [as] ... realistic, realisable, reasonable

Nor, claims Blatter, is his controversial plan a baid money heist. World TV rights for the 2002 World Cup tournament (to be hosted jointly by Japan and South Korea), and for the one due in 2006, are expected to earn about \$1.8bn.

But Blatter says he would not be upset if Fifa received less than half that sum - he mentioned SFr1bn (\$700m) as an early benchmark sum for a blennial World Cup tournament. "I want the change ... out of love, not because of the money." Curiously, Gerhard Aigner

Blatter's boldness has of Uefa claims that "in all pendous natural marvel.

epp Blatter, the boss reopened old battles between this, the great loser is the of Fifa, world soc- Fifa and the regional soccer spectator, whom Fifa has everything we do should be acceptable to the consumer

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and be in his interests." That remark is not so much Delphic as incompreber of clinically besotted soccer fans. You see them in corners, muttering crossly or jubilantly, depending on results. When I asked some of them whether they wanted a World Cup tournsment every two years instead of four, all drooled

happily. "If you ask me whether I want to see Ronaldo [one of Brazil's stars] in the World Cup finals every two years instead of four, then I'd say every two years every time," said one.

People who watch too much soccer often talk like that. But there are hundreds of millions of them, and they will not be denied.

In Australia, they are squabbling about who should open the Sydney Olympics in 2000. Kim Beazley, leader of the opposition, thinks the honour should go to Australia's governor-general, Sir William Deane, while prime minister John Howard thinks he should open the games. My own peace-keeping suggestion is that the 2000 Olympics be opened by Miss Queensland.

This might strain relations between Queensland and New South Wales, where Sydney is located. But it has to be stated that Miss Queensland is always a stu-

#### How to punt it

ports betting is becoming popular: to 6-1 FA Cup favourites, while Arsenal a trend that will be magnified as the digital and interactive TV revolutions take a grip. Sports betting means betting on sports other than horse and dog racing - soccer, for

One of the features of soccer betting is that the odds sometimes change quite unpredictably, especially during the early rounds of a cup competition. This makes the timing of bets - always important harder than it ought to be.

Last Saturday morning, for example, Manchester United were 6-1 favourites to win England's FA Cup. In their 3rd round match they beat Middlesbrough 3-1 at home, then drew Liverpool, also at home, as 4th-round opponents - whereupon they were relegated to 7-1 3rd favourites. Most

After the 4th-round draw, Chelsea (who will be away to Oxford) were cut from 7-1

Kaye says the system is only remaining cause or

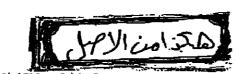
(away to Wolves) remained at 8-1. Liverpool stayed at 10-1, as did Leeds, who replay non-leaguers Rushden & Diamonds on January 13. Before the 3rd round, plucky Rushden &

Diamonds were 4,000-1 to win the FA Cup but are now 10,000-1 (do not be tempted) after holding Leeds to a scoreless draw at home. (Even at 50,000-1, R&D would not be a good proposition.) The moral is: time your bets as carefully

as possible.

So far, How To Purot It has invested £10 each-way on Leeds at 10-1 and £10 each-way on Arsenal at 8-1. In this context, each-way means £10 as a win bet, plus £10 at half these odds to reach the final. It has also bet £10 on Arsenal at 40-1 for the FA Cup-league

حكذا من الاجل



#### INTERNATIONAL ARTS GUIDE

#### What's on around the world

#### AMSTERDAM

**EXHIBITIONS** Rijksmuseum Tel: 31-20-673 2121 Adrisen de Vries (1566-1626): Imperial Sculptor. Major exhibition celebrating the work of the Dutch sculptor, who worked for Emperor Rudolf II among other European courts. Around 40 bronzes will be on display, borrowed from public and private collections in Europe and the US. One highlight will be the fountain statues from the gardens of the Swedish palace of Drottningholm, reconstructed in the museum's Gallery of Honour, to Mar 14

 Japanese Scrolls: 40 works from he collection of the Kumamoto refectural Museum of Art in Japan, These include depictions of courtesans, daily life and poetic illustrations of nature; to Jan 17 The Festival of Lithography: celebration of the 200th anniversary of the discovery of lithography. The exhibition consists of works from the collection, including lithographs by Toulouse-Lautrec, works by Cézanne, Manet, and Dutch artists including Van Gogh; to Jan 10

#### BARCELONA

EXHIBITIONS Fundació Joan Miró Tel: 34-93-329 1908 www.bcn.fimiro.es Magritte: an exhibition celebrating the centenary of René Magritte's birth. It contains over 90 paintings and 50 photographs by the Belgian Surrealist, which are grouped into 5 recurrent themes from his work; to Feb 7

Tel: 34-3-319 6310 Picasso - Engravings 1900-1942: temporary exhibition with more than 250 works from the Musée Picasso in Paris. It presents Picasso's engravings as a diary, a daily examination of his emotions: It follows the different themes and techniques that inform the artist's work to Apr 4

#### M BERLIN

EXHIBITION Hamburger Bahnhof Sensation: works from the Saatchi collection of Young British Artists including Damien Hirst, Rachel Whiteread and the Chapman brothers. Originated at the Royal Academy in London last year, where it attracted 350,000 visitors and maximum publicity: to Jan 17

#### **BIRMINGHAM**

EXHIBITION BirmIngham Museume and Art

Tel: 44-121-235 2834 Sir Edward Burne-Jones: comprising more than 200 works, including tapestries and lewellery as well as paintings. A second generation Pre-Raphaelite, Burne-Jones also had a lifelong working relationship with William Morris, for whose firm he worked as a principal designer. The exhibition will travel to Paris later this year; to Jan 17

#### E BONN

EXHIBITION Kunst- und Ausstellungshalle der Bundesrepublik Deutschland Tel: 49-228-917 1200

www.kah-born.de

High Renaissance in the Vatican: Art
and Culture at the Papal Court (1503-34). The early 16th century saw Papal Rome establish itself as the centre of art in Europe: the Vatican commissioned work from such great artists as Leonardo da Vinci, Michelangelo and Raphael. This exhibition displays some of the masterpleces that resulted, as well as detailing the contexts in which they were produced; to Apr 11

#### CHICAGO

EXHIBITION Art Institute Of Chicago Tel: 1-312-443 3600 www.artic.edu Mary Cassatt: Modern Woman, 125 paintings, drawings and prints by the only American invited to exhibit in the Impressionist exhibitions in Paris. Closely associated with Degas, Monet and Pisarro, in later life she became a famed collector and patron; to Jan 10

#### COLOGNE

DPERA Oper der Stadt Tel: 49-221-221 8240 Die Vögel: first modern staging for Walter Braunfels's opera. Premiered in 1920, it was banned by the Nazis and largely forgotten until a recent recording. This production is conducted by Bruno Well and staged by David Mouchtar-Samorai; Jan 15

#### III COPENHAGEN

EXHIBITION Louisiana Museum of Modern Art, Humlebank Tel: 45-4919 0719 www.touisiana.dk Joan Miró: major retrospective comprising 140 paintings, drawings and sculptures, including works borrowed from the artist's family since the exhibition was shown in Stockholm over the summer; to Jan 10

#### E DUBLIN

THEATRE Abbey Theatre Tel: 353-1-878 7222 The Rivals: by Sheridan. New production directed by Brian Brady



and designed by Conor Murphy, with lighting by Trevor Dawson; to Jan 23

#### **EDINBURGH**

EXHIBITIONS National Gallery of Scotland Tel: 44-131-624 6200 Turner Watercolours: shown every January for 90 years, this magnificent selection of 38 watercolours was bequeathed by Victorian collector Henry Vaughan in 1900; to Jan 31

Scottish National Portrait Gallery Tel: 44-131-624 6200 John Ruskin: exhibition exploring the influence of the Victorian critic and theorist. includes drawings, watercolours and photographs; to Mar 7

#### # FLORENCE

EXHIBITION Palazzo Pitti

La Dama con l'Ermellino; Leonardo da Vinci's 1489 portrait of the young mistress of Duke Ludovico of Milan travels to Italy for the first time since 1800, when it was purchased by the Polish Prince Czartoryski; to Jan 24

#### FRANKFURT

EXHIBITION Schim Kunsthalle Tel: 49-69-299 8820 Treasures from King Zhao Mo: king Zhao Mo's tomb, sealed in 122 BC was accidentally discovered in 1983 by construction workers. This exhibition displays the many treasures buried with Zhao Mo, the first time they have been seen in the west; to Jan 22

#### M HAMBURG

EXHIBITION Kunsthalle Kandinsky, Chagall, Malevich and the Russian Avant-Garde: show tracing the art movements between the Russian revolutions of 1905 and 1918, and focusing on attempts by artists to fuse aspects of folk culture with Western modernism. Many of the 100 works on display are on loan from Russian

#### MELSINK!

museums; to Jan 10

EXHIBITION Museum of Contemporary Art Tel: 358-0-173 361 Bruce Nauman: spanning the career of the American artist, b.1941, this exhibition focuses on his relationship with language, and includes sound and video installations as well as neon pieces like One hundred live and die (1984): to Jan 24

#### M HOUSTON EXHIBITIONS

Museum of Fine Arts, Houston Tel: 1-713-639 7750

www.mfah.org
A Grand Design: The Art of the Victoria and Albert Museum. North American tour of selected objects from the V&A's collection. Consists of 250 works of art ranging from Leonardo da Vinci's notebooks to shoes by Vivienne Westwood, presented in sections which address changes in the institution's collecting policy; to Jan 10

Brassaī: The Eye of Paris. A retrospective of Brassal's work that coincides with the 100th anniversary of his birth. Dubbed 'the eye of Paris' by Henry Miller, Brassaï celebrated that city in photographic series like 'Dance', 'Society' and 'Gratifiti'. The exhibition the artist's initial impressions of the includes the widely-acclaimed 'Paris at inspiring landscapes he encountered;

nocturnal wanderings with the flaneur and poet Léon Paul Farque. Also on view are portraits of other artists and writers of Brassal's time, among them Dali, Picasso and Genet; to Feb 28

#### LAUSANNE EXHIBITION

Musée Cantonal des Benux-Arts Tel: 41-21-312 8332 Courbet - artist and promoter: more than 70 paintings by Gustave Courbet (1819-77), including landscapes, portraits and nudes. The exhibition concentrates upon Courbet's artistic output after 1855, especially that produced during his exile in Switzerland; to Feb 21

#### LISBON EXHIBITION

Fundação Arpad Szenes - Vieira da

Tel: 351-1-388 0044 Alberto Giscometti: Arpad Szanes and Vieira da Silva met Glacometti in the 1930s, through gallery owner Jeanne Bucher. The 19 sculptures and 20 drawings on display here are loaned by the Maecht Foundation, Saint-Paul. and include such famous pieces as Femme de Venise and Homme qui marche: to Jan 31

#### M LONDON CONCERTS

Barbican Hali Tel: 44-171-638 8891 BBC Symphony Orchestra and Chorus; conducted by Andrew Davis in works by Messiaen. With plano soloist Stephen Osborne; Jan 16 London Symphony Orchestra: conducted by Ryusuke Numajiri in works by Saint-Saëns and Tchaikovsky, as well as the UK premiere of Sofia Gubaidulina's 'The Canticle of the Sun'. Featuring cello soloist Mistislav Rostropovich; Jan 13

#### EXHIBITIONS British Museum

Tel: 44-171-636 1555 The Golden Sword: Stamford Raffles and the East. Display bringing together biographical material with object collected by the self-taught scholar who is chiefly remembered as the tounder of Singapore. Includes musical instruments, masks and shadow puppets collected by Raffles when he was Lieutenant Governor of Java (1811-16), and plant and animal drawings; to Apr 18

Royal Academy of Arts Tel: 44-171-300 8000 Charlotte Salomon: born in Berlin in 1917, Charlotte Salomon died in Auschwitz in 1943, after flying in hiding in the south of France for three years, during which time she produced a series of 769 gouaches called Life? Or Theatre?, exhibited here, which has been interpreted as a form of self-protection against the violence of the Nazi era; to Jan 17

#### **Tate Gallery** Tel: 44-171-887 8000 John Singer Sargent: large-scale

retrospective containing 150 paintings, including major public and private loans. Includes late landscapes and American and British society portraits from the 1880s to the early 1900s; to

Turner in the Alps: undertaken in 1802, this was J.M.W.Turner's first visit to continental Europe. The exhibition contains 68 works on paper, revealing

#### Night' series: photographs taken during to Feb 14

Victoria and Albert Museum Tel: 44-171-938 8500 Aubrey Beardsley: more than 200 drawings, prints, posters and books created during the brief period of the artist's fame. A member of the fin-de-siècle avant-garde, Beardsley left England for Dieppe following Wilde's disastrous libel action and subsequent imprisonment in 1895. The exhibition marks the centenary of Beardsley's tragically early death, aged 25; to Jan 10 Grinling Gibbons and the Art of

Carving: drawings, carvings and religious reliefs are displayed alongside the Cosimo panel, commissioned by Charles II and the woodcarver's masterpiece. The exhibition also aima to present some historical context; to Jan 31

#### THEATRE

Albery Tel: 44-171-878 1115 Mr Puntila and his men Metti: Kathryn Hunter's production of Brecht's satirical comedy moves from its October run in the Almelda Theatre to the West End. Comic duo Sean Foley and Hamish McColl play the title roles;

National Theatre Tel: 44-171-928 2252 Betrayai: by Harold Pinter. Trevor Nunn directs Pinter's 1978 play, with a cast Including Anthony Calf and Imogen Stubbs: Lyttleton Theatre; Jan 9, 11,

#### IN LOS ANGELES OPERA

L. A. Opera, Dorothy Chandler

Tel: 1-213-972 8001 www.laopera.org
Madama Butterfly: by Puccini.
Conducted by Marco Guidarini and
directed by Christopher Harian. With a cast including Yoko Watanabe, Richard Leech and John Atkins; Jan 10, 13, 16

#### MADRID

EXHIBITION Fundación Juan Murch Tel: 91-435-48 40/435-42 40 Marc Chagall: Jewish Traditions, 40 paintings by the Russian-French painter, produced between 1909 and 1976. They detail Chagall's progression through such styles as Expressionism, Cubism and Surrealism; from Jan 15 to Apr 11

#### MILAN OPERA

Tel: 39-02-88791 The Fiery Angel: by Prokofiev. Bruno Bartoletti conducts a staging by Giancarlo Cobelli, with Karen Huffstodt and Elmira Magomedova singing alternate performances as Renata; Jan 14, 16

#### MUNICH

EXHIBITIONS Haus der Kunst Tel: 49-89-211270

 Lyonel Feininger (1871-1956): From Gelmeroda to Manhattan. First comprehensive retrospective of the German-American painter, who was forced to leave Germany during the 1930s and subsequently worked in New York, The 120 works on display include important public and private loans, and paintings by some of Feininger's contemporaries; to Jan 24 • The Night: exploring the

development of the nocturne, or night time scene, in western art from the 15th to the 20th century. Includes early examples by artists including Cranach, baroque works by Caravaggio and his followers, and works by the German romantics; to Feb 7

Bayerische Staatsoper Tel: 49-89-2185 1920 www.staatstheater.bayem.de Lohengrin: by Wagner. Peter Schneider conducts, in a staging by Götz Friedrich, Cast includes Adrianne Pieczonka and Waltraud Meier, Jan 15

#### E NEW YORK

DANCE New York City Ballet, New York State Theater Tel: 1-212-870 5570 Balanchine Black and White

Celebration: George Balanchine, one of the greatest of 20th century choreographers, directed New York City Ballet until his death in 1983. As part of its 50th anniversary celebrations, NYCB presents pieces from Balanchine's Black and White repertory: Jan 9, 10

Celebrating Five Decades of Repertory: with over 150 active ballets, New York City Ballet has the largest repertory of any dance company in the world. Continuing the celebrations of its 50th anniversary, it presents a selection of works from that repertory, including revivals of Bugaku, Irish Fantasy and Blanchine's Liebe Walzer, Jan 12, 13, 14, 15, 16

#### EXHIBITIONS Brooklyn Museum of Art Tel: 1-718-638 5000

Royal Persian Paintings: the Qajar epoch 1785-1925. Display of life-sized portrait paintings, manuscript Illumination and decorative arts which were the specialities of this previously overlooked period of Iranian art history;

#### to Jan 24 Guggenheim Museum Tel: 1-212-423 3500 www.guggenheim.org 1999, Rendezvous: in their holdings of artworks from 1900 to 1945, the Guggenheim and the Centra Georges Pompidou are remarkably similar, with one often owning a preliminary study for a painting in the collection of the other. The closure of the Musée

national d'art moderne for renovation has created the unique opportunity for this exhibition, which brings together related works by the same artist, or works by different artists on the same theme. The display, which seeks to highlight differences as well as similarities between the collections, includes works by Picasso, Matisse.

#### Guggenhelm Museum ScHo Tel: 1-212-423 3500 www.gupgenheim.org Premises: Invested Spaces in Visual Arts, Architecture & Design from France, 1958-1998. Exploration of the different ways in which artists have engaged with space. Display ranges across installation, film, video, photography and architecture. Includes works by Yves Klein, Le Corbusier, Louise Bourgeois and Sophie Calle; to

Kandinsky and Chegall; to Jan 24

Metropolitan Museum of Art Tel: 1-212-879 5500 www.metmuseum.org Dosso Dossi, Court Painter in

Jan 10

Renaissance Ferrara: Dosso Dossi was the last of the Ferrarese painters, much influenced by Glorgione and Titlan. This exhibition includes rarely lent masterpieces from the Borghese Gallery in Rome and other European collections; from Jan 14 to Mer 28 Heroic Armour of the Italian Renaissance: Filippo Negroli and His Contemporaries. Comprehensive survey of the classically inspired armour made by the most celebrated Italian armourer of the 16th century. includes more than 60 richly decorated

suits of armour, worn by Renaissance kings and captains. Includes public and private loans from Europe and North America; to Jan 17 Mary Cassatt: Drawings and Prints. Coinciding with a major retrospective at the Art Institute of Chicago, the Metropolitan Museum has organised an exhibition of most of its extensive collection of Cassatt's work. The

quintessential American artist in search of European experience, Cassatt used Impressionist techniques to depict the lives of women in and around Paris, increasingly concentrating on mothers or nurses with children; to Jan 24 Sacred Visions: Early Paintings from Central Tibet. 60 works from the 11th to the mid-15th century, including thankas (paintings on cloth), painted book covers and related sculptures; to Jan 17

 The Nature of Islamic Ornament, Part II: Vegetal Patterns. Second in a four-part series on Islamic omament from the 9th to the 18th century. includes rare brocades and carpets; to Jan 10

Museum of Modern Art Tel: 1-212-708 9480 www.mome.org Jackson Poliock first US retrospective of the Abstract Expressionist since that held at MOMA in 1967. Includes more than 100 paintings and 50 works on paper; to

 Projects 66: Campana/Ingo Maurer. Exhibition bringing together works by German lighting designer Ingo Maurer and Brazilian furniture designers Fernando and Humberto Campana; to

#### OPERA Metropolitan Opera, Lincoln Center Tel: 1-212-362 6000

www.metopera.org Die Fledermaus: by J. Strauss. Revival conducted by Patrick Summers, Cast includes Carol Vaness, Jochen Kowalski and Bo Skovhus; Jan 9, 14

PARIS CONCERTS

Salle Pleyel Tel: 33-1-4561 6589 Orchestre de Paris: conducted by Lorin Maazel in works by Weber, Debussy, Schubert and Ravel; Jan 13, 14

EXHIBITIONS Grand Palais Tel: 33-1-4413 1730 Lorenzo Lotto: Rediscovered Master of the Renaissance. 50 paintings, many of them on loan from churches and museums in Italy. The exhibition has been seen in Washington and

#### Musée d'Art Moderne de la Ville de

Tel: 33-1-5367 4000 Mark Rothko: comprehensive retrospective of the Russian-born. American artist. Concentrating upon his Surrealist and Classic periods, the 115 works displayed in this exhibition span Rothko's output between the 1930s and his death in 1970; to Apr 18

#### **PRAGUE**

Bergamo; to Jan 11

DANCE National Theatre of Prague Tel: 420-2-2108 0131 www.anet.cz/nd The Nutcracker: by Tchaikovsky, in a staging by Russian choreographer Juril Grigorovic, with sets and costumes by Simon Virsaladze; Jan 15, 16

THEATRE National Theatre of Prague Tel: 420-2-2108 0131 www.anet.cz/nd The Servant of Two Masters: by Carlo Goldoni, Directed by Ivan Raimont:

#### ROME

EXHIBITIONS Palazzo delle Esposizioni Tel: 39-06-474 5903 Valori Plastici: taking its title from that of a short-lived magazine published by Roman art dealer Mario Broglio, who managed such names as De Chirico, this show includes sculpture and paintings, mainly by Italian artists, but also including little-known works by Picasso, Klee and Grosz; to Jan 18

Palazzo Ruspoil Tel: 39-6-6830 7344 www.palazzoruspoli.it The Denis Mahon Collection: last stop for the touring exhibition of more than 80 Italian Baroque paintings collected by Denis Mahon. Includes works by

#### ROTTERDAM EXHIBITION

Guercino: to Jan 15

Kunsthal Tel: 31-10-440 0300 Up to the bare bones: Human remains in museums. An estimated hundred thousand human beings find their last resting place in Dutch museums, whether in the form of murnmiss, skulls, skeletons, reliquaries or otherwise. This exhibition is the first to address this phenomenon directly, presenting exhibits from medical, sacral, ethnographical and archaeological collections; to

#### SAN FRANCISCO

CONCERTS Davies Symphony Hall Tel: 1-415-864 6000 www.sfsymphony.org
New York Philharmonic: conducted by Kurt Masur in works by Beethoven and Shostakovich; Jan 10 New York Philharmonic: conducted by Kurt Masur in works by R. Strauss and Tchaikovsky; Jan 11
San Francisco Symphony

Orchestra: conducted by Michael Tilson Thomas in works by Mendelsschn, Barber and Mahler. With violin soloist Gil Shaham; Jan 9, 10 San Francisco Symphony

Orchestra; conducted by Michael Tilson Thomas in works by Ives, Bernstein and Prokofiev; Jan 13, 14, 15

#### **TOKYO** EXHIBITION Metropolitan Museum of

Photography Tel: 81-3-3280 0031 Love's Body: Rethinking Naked and Nude in Photography. Includes works by Alfred Stieglitz, Robert Mapplethorpe and Catherine Ople; to Jan 17

#### ■ WASHINGTON EXHIBITIONS

National Gallery of Art Tel: 1-202-737 4215

www.nga.gov ● Bemini's Rome: Italian Baroque Terracottas from the State Hermitage Museum. St. Petersburg. 35 rarely exhibited sculptures, bought by Tsar Paul I from Filippo Farsetti. Among the 14 artists represented are Bernini and Algardi; to Jan 18

Edo: Art in Japan 1615-1869.
Consisting of almost 300 works, this

exhibition provides a comprehensive survey of Japanese art produced during the prosperous and peaceful Edo period. The pieces displayed, many of which have never left Japan before, are arranged thematically into 6 sections: 'Edo Style', 'Samurai', 'Work', 'Religion', 'Entertainment' and 'Travel and Landscape'; to Feb 15

#### Washington Opera, Kennedy Center Tel: 1-202-295 2400

www.dc-opera.org Die Entführung aus dem Serail: by Mozart. L.A. Opera production by Michael Hampe, conducted here by Heinz Frick; Eisenhower Theater; Jan 9, 11, 13, 16

Arts Guide by Susanna Rustin e-mail: susanna.rustin@ft.com Additional listings supplied by Artbase, tel: 31-20-664 6441 e-mail: artbase@pi.net

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# Weekend Investor

Wall Street

## This could be the year of the internet

Web stocks lead a rush that sends the Dow soaring, writes John Authers

Money poured into Wall Street on Wednesday. pushing the Dow Jones Industrial Average past its former record high of 9,345, then through 9.400 and 9,500. It consolidated at this level for the rest of the week but passed 9,600 yesterday morn-

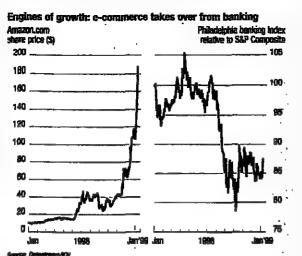
Suddenly, bullish forecasts that the Dow would reach 10,000 by the end of last year, withdrawn late last summer as the market melted down, seem as though they will be out by

All the other symptoms of the bull market were back in evidence. A vintage triangular bidding battle is emerging for AirTouch, the largest US wireless operator, with both Bell Atlantic of the US and Vodafone of the UK known to be planning bids. The situation looks highly reminiscent of the saga of MCI, which attracted bids from British Telecommuni. cations. GTE and WorldCom. the eventual winner, in a protracted struggle that asted for most of 1997.

rude health, with December's employment figures much stronger than analysts had expected. The benign weather in much of north America last mouth will have boosted construction payrolls, but other sectors were strong and the overall unemployment rate fell to 4.3 per cent. Joy at these figures appears to have been undimmed by the fact that they can be expected to lead to higher interest rates.

Anecdotal evidence is that money is pouring into mutual funds again in spite of a noticeable dip in private investors' enthusiasm following the Russian crisis retailer, had gained 859 per last year. Dave Williams, cent for the year. It implied, who stood down on Wednes-delicately, that this might be day as chief executive of a tad overdone. Alliance Capital, one of the largest mutual fund managmarket was "certainly

call it a vear". research group that moni- never made a profit.



tors mutual fund performance, the average US equity fund returned 14.5 per cent in 1998. This might have been far behind the 28.05 per cent recorded by funds that tracked the broad Standard & Poor's 500 index, but it was enough to keep investors happy.

More important, several of the biggest funds - where investors' money is concentrated - had banner years. mainly because they are now weighted heavily towards the large companies that lead the market. They were led by the \$76bn Fidelity Magellan fund, which gained 33.6 per cent for the year.

But the market phenomenon of the 1999 so far is the internet. Web stocks, and particularly those linked specifically to "e-commerce". are going through the roof. Readers may think they

have heard this before. A review of last year, taking December 17 as a cut-off, pointed out that Amazon.com, the largest internet Evidently, many in the

market did not share this ers, said that the rise in the concern, as Amazon.com's share price has doubled annualise our sales for the more. Adjusting past share growth. first week of January and prices for the split, Amazon.com was worth \$10 at investors' patience was the start of the year. At noon not, as it turned out, greatly yesterday, it was trading at tested by the markets last \$187. This meant it was year. According to Lipper, worth about \$29.5bn - not the New York-based bad for a company that has

The American Stock Exchange internet index has shown more muted growth, having doubled since October 2. While Amazon.com is the most eye-catching, several other internet stocks have enjoyed strong gains. They are led by E\*Trade, one of the largest stockbrokers working only over the net,

stock split this week. Were there any good reasons to buy stocks last week? The main one might come from the financial services sector, which led the bull market almost as emphatically as the technology stocks for several

As the chart shows, they

tumbled far more than the rest of the market in late summer last year - an effective bet on a coming US recession. This week, there were strong signs that banks and other financial services groups were returning to favour. Two sizeable financial groups announced record results - MBNA, the largest specialist credit cardissuer, and Morgan Stanley Dean Witter, one of the larg-

est investment banks. confident about the future for the market if banks, reflected in mutual fund again since then. A stock rather than the new titans of company would "happily to incite the market even their role as the motors for

Dow Jon	es hid Am	o care
Monday Tuesday Wednesday Thursday	9,184.27 + 9,311.19 + 9,544.97 + 9,537.76 -	2.84 126.92 233.78 7.21
Friday		

# Are bulls guilty of perjury?

Philip Coggan examines prosecution evidence

he trial has just early-afternoon run took the begun. The two sides have prepared their partisan posivicted of abusing their power to drive up share prices, and committing perlury about the state of the

British economy? For those people who have been following the economic headlines, the pace of the market must have been rather startling. While many economists are muttering about recession in 1999, both the UK and the US stock markets, undistracted by the impeachment of President Clinton, bave surged to

The FTSE 100 jumped 190.6 points on Wednesday, its third biggest points rise on record, to break back deciively over the 6,000 level. The last time it saw such exalted heights was back in

shows shares looking cheap compared with the 15-year index to an all-time intra-day

old peak of 6,183.7, set in ranging from static to falling and share prices rising, the bears on the prosecution side will argue that traditional valuation measures are, increasingly, getting

On Thursday night, the on the FTSE 100 was 24.7, while the gross dividend yield was 2.7 per cent (and, tax credit, the more realistic net figure is 2.3 per cent). But the best defence for the bulls comes in the form

high of 6,195.6, beating the

10-year gilt offering just 4.28 per cent at Thursday's the moment is the earnings

price/earnings ratio) relative

of bond yields, with the

average (see graph below).

Which set of ratios the jury will believe depends on its economic outlook in 1999. Some people think the UK economy will record only a mild setback before recovering quickly. This process is being helped by the Bank of England, which this week cut short-term rates for the fourth successive month.

The stock market usually does very well when interest rates are falling. Most forecasts look for further cuts, taking the rate down to 5 per cent, during the remainder

Apart from their effect in reviving the economy, lower interest rates reduce corporate borrowing costs and the attraction of holding cash. There were signs this week built up cash during the financial turmoil of July-October were putting their



especially now that the the building materials uncertainties of the pre-euro period are over.

The lowest level of bond yields for 40 years also enhances the attractions of holding equities. But bears will argue that the level of bond yields is pointing to more sinister economic developments.

It could be that the world is drifting into an era that benefits from low inflation but suffers also from low growth. According to HSBC Sconomics: "The outlook for 1999 and 2000 will be a continuation of the weakest period of global economic expansion in 50 years."

Slow economic growth makes it very difficult for companies to push profits higher. Unless you are in a go-ahead industry, such as mobile telephones, sales growth is impossible. Customers resist price rises: indeed, in some cases, they insist on cuts. The best hope seems to be cost-cutting and, in companies that have already pared back to the bone, the only answer is to merge with a rival from the same industry and eliminate the duplicated services. That is one reason for the present round of merger mania.

greater security of bonds is will be a fairly minor player. fixed-income instruments pound will be a great relief should be re-rated relative to equities. Hence historical ingexporters at a time when bond-equity valuation mea- global competition is fierce. sures, loved by the bulls, may not be so relevant.

On the equity side of the equation, profits remain under pressure as yester- dict. day's warning from RMC,

group, amply illustrated. The stock market is increasingly splitting in two, with investors willing to pay almost any price for a sector that can deliver profit: growth and refusing to touch those that are being squeezed most by the eco-

nomic pressures. The telecommunications and pharmaceuticals sectors both trade on p/e ratios of more than 50: the general industrials group can muster a p/e of less than 14 (and paper and packaging just 7.5).

🕇 hus, stockpicking in 1999 is going to be highly important. be sniffing around the industrial group looking for bargains; growth investors will be hoping that the high ratings commanded by their favourite sectors are justified by earnings growth.

Good news for the former may come from the foreign exchange markets, where sterling has been drifting down steadily in the first few days of the year. The creation of the suro has usbered in a world of three leading currencies - the other two being the yen and the In such circumstances, the dollar - in which sterling

to hard-pressed manufactur-

To sum up ladies and gentlemen of the jury, the evidence is in your hands; your stockbrokers await the ver-

philip.coggan@FT.com

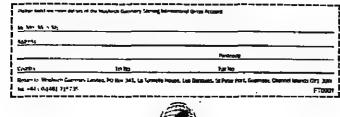
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**Barry Riley** 



become a dangerous

1175

# Deflationary dilemma

Less saving and more spending is the real need

game. History no longer seems to help, and it is hard to have confidence in any of the forward-looking analysis, which can seem just like guesswork or even wishful thinking. This week, the stock market,

which almost everybody agrees is overvalued, decided to spring higher. Even the doggedly bullish investment bank Goldman Sachs is in danger of being left behind. But then, the old market wisdom is that if everybody has sold - or, in modern parlance, all the bears are underweight to the maximum allowed by risk controls - prices can go in only

This week, too, the yen contindollar. Sure, Japan is in a slump, whether you believe it is worse than being in an uncontrolled bubble economy. At any rate, Eisuke Sakakibara, the Japanese suggested cheekily that it was problem, nine years after Japan's own bubble burst.

Meanwhile, the sudden jump gilt-edged bonds to sell. The Japbetter take note.

Kaye says the Bystelli is only semanana ---

are casting further doubt on the retail "bloodbath" supposed to have overtaken the nation's high streets during the autumn. Consumer credit, it turns out, has been growing at a steady 16 to 17 per cent year-on-year, and cash in circulation has been expanding at an annualised 7 per cent during the past six months. This looks curiously like a boom rather than the collapse which the retailers have been complaining about loudly, presumably in the hope of influencing

the Bank of England's monetary In the event, the MPC decided, against City expectations, to cut the base rate for the fourth month running. With the newlylaunched euro dominating the financial headlines, there has ued to strengthen against the US been some concern that the UK's repo rate, even at its reduced 6 but your view of that depends on per cent, remains twice as high as the euro rate set by the European Central Bank, even though the UK is probably growing more slowly now (indeed, some minister dubbed Mr Yen, say it has actually entered a recession). A lot has been said

little about interest rate competiin Japanese bond yields over On the other hand, the UK's one of those "Grand Old Duke of as well as the narrow MO -York" manoeuvres by Denis remains comparatively strong per cent. Healey, the UK's own chancellor and the Bank must worry about of the exchequer, in the 1970s inflating US-style bubbles in the when he had a mountain of securities and housing markets.

That UK retailing crisis, which anese may want their savings is not entirely fictional appears but, between 1921 and 1932, back, and the Americans had to be more related to supply prices fell persistently, by 3 per than demand. It reflects the cent a year on average. They

global manufacturing industries already. For example, although worldwide car demand, at about 34m units a year, has failed to rise during the 1990s, capacity has continued to climb and some say the industry could now produce more than 50m vehicles. Hence this week's excited gossip about cross-border takeovers and

As for UK retailing, too many chains have tried to expand by increasing their selling space rather than becoming more competitive on price. Retailers have attempted to absorb the benefit of lower import prices in their margins rather than pass them on to customers, except perhaps as special offers. But customers have gradually realised they are being taken for a ride.

Certainly, inflation is heading downwards. The MPC is beginning to understand, after missing its target on the upside for most of its first 18 months, that the Americans who had the real about unfair tax competition its next problem might be a perwithin the European Union but sistent undershoot, Alternatively, the target might be changed, perhaps through adopting the standard EU harmonised Christmas is starting to look like monetary growth - the broad M4 (HICP) measure that already pitches UK inflation at only 1.4

In manufacturing, Britain is close to actual price declines. There has not been peacetime deflation in the UK since 1938 In the UK, official statistics appearance in the country's were bleak years, and postwar

The established central banking response, therefore, is to cut interest rates and pump out money. But this is another of those rules that might not work

We arrive, therefore, at a final, surprising paradox: that squeezed and threatened profits are being valued in aggregate at higher and higher multiples. The FTSE 100 constituents are collectively valued now at 1.3 times British GDP, compared with 0.6 times in the late 1980s. More specifically, the few

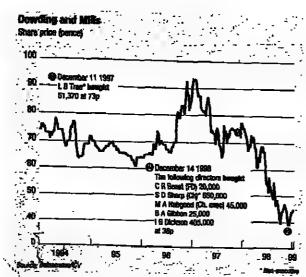
stock market sectors that offer the near-certainty of earnings growth are being chased ever higher, as with telecoms this week. In other sectors, such as oil and banking, cost-cutting mergers could offer shareholders a lifeline - but only at the expense of the community at large in terms of lost jobs and tax revenues.

We need less saving and more spending. In the US, in fact, freakish capital gains on stock market investments, have allowed the household saving ratio to go negative. But this looks more like a temporary lucky break than an economic perpetual motion machine, and the over-consumption has generated an ominously widening trade gap.

American investors now believe the US has a Mr Stock. Market in the benign shape of Alan Greenspan, the Federal Reserve chairman. But, one day soon, the country might more urgently need its own Mr Dollar

For an interactive guide to personal finance, visit http://www.FTQuicken.co.uk

#### WEEKEND INVESTOR



#### Directors' dealings Five buy at low price

One of the largest buys of the week was at Dowding and Mills, in the electronic and electrical sector, writes Chris Hill. Five directors acquired shares worth £405,000. The largest purchase was by Simon Sharp, non-executive chairman, who paid 38p a share to increase his holding by 650,000. The purchase comes at a time when the stock has hit an

☐ Four directors at Spring Group, a recruitment consultant bought 254,609 shares at 100p. One sizeable seller managed to offload a large overhang of stock, relieving downward pressure on the price. Those that picked up the shares, including these directors, will have benefited from a resulting jump in the price of more than 20 per cent.

□ Isin Alexander, a director of Monument Oil & Gas, sold 280,000 shares at 40p. James Guest, a fellow executive, exercised a total of 323,072 options and sold 100 per cent of the resulting stock. This deal followed the announcement that PowerGen is to pay Monument £117m for a long-term, cut-

### Directors' share dealings

Company	- Bector	Sharés 	Yeluo £7000	No of director
SALES				
Yule Catto & Co.	Chem	192,055	980	1
ASTEC (BSR)	EAE	42,000	36	1
Newtor Healthcare	1065	50,000	8000	1
Charles Taylor Grp	ins	620,000	1550	4
Newcastle United	LAH	9,000,000	10,001	1
Rathbone Brothers	OthF	11,400	39	2
Cheisea Village Pic	Prop	100,000	78	1
Mucklow (A. & J.)	Prop	33,808	60	1
Ations WS	65er	4,000	19	1
Rolfe & Noten	SSer	100,000	170	1
Securior pic	Tele	12,600	84	4
National Express	Trees	92,500	1,016	1
Smith & Nephew Ptc.	Hillin	80,000	140	1"
Sedgwick Group	Ine	434,947	988	4"
Granada Group	LANI	145,000	721	1.
Logica	9044	117,790	621	1"
PURCHASES		4		_
Ambiehue Pub Co	Brigger.	25,000	24	5
Groupe Chez Gerard	Brese	32,000	71	8
Caradon	BM&M	19,055	19	1
Shaw (Arthur)	BM&M	2,000,000	20	1
Jackson Group	Cons	48,000	36	1 .
Mowlern (J)	Cons	22,000	21	1
Brammer	Dist	29,848	104	2
ISA International	Dist	1,224,809	412	2
Concurrent Tech.	64E	130,092	19	1
Dowding & M.	ESE	60,000	25	2
BBA Group	Eng	5,000	W	3
HI-Teo Sports	HGod	274,000	47	3
Cox insurance Hidge	live.	77,809	180	4
Goshawk Insurance	ins	50,324	71	1
Hiscon	ine_	135,006	296	
Warrents & Value IT	lavT	63,000	. 25	1
Taraus Group	McCa	75,000	36 312	1
Pacific Media	Melle	24m		i
Premier Asset Man	Mdia PPAP	410,000	50	3
Rexem		87,890	146	1
Cap. & Reg. Prop	Prop SSer	80,500	116	1
Aggreko	SSer	64,448 75,000	32	2
Card Chest	Sales.	71,000	88	1
Spring Group	Tele	6.902	86	à.
Companies must notify the				
transaction by a director.	This flat cor	rigins oil transac	ctions Bists	d and Alm
including exercise of option	w (*) ii 1009	6 subsequently :	soid, with (	L VOILE DV
		nie Munkaman, Mire		and continue

_	0		Value £'000	No of
Company SALES	Sector	-	15000	CHI CAM
Halma	Eng	16,000	10	1
Amin	ine	30,000	2012	1
Daily Mail & Gen.	Miclin CHE	78,149 250,000	112	1
Monument Of & Gas Gerrard Group	OthF	10,000	32	1
CLS Holdings	Prop	1,330,929	1864	8
Cheises Village Pic	Prop	150,000	111 418	1
Marks and Spencer	RetG RetG	192,887	753	i
Marks and Spencer Assays WS	PS-	80,000	404	1
Develon Holdings	SSer	612,000	249	3
Securicor pic	Tele	8,000	29 283	2
Avis Europe piG Enterprise inne pic	Tres	130,000 52,432	182	j-
Aegis Group	Mdla	1,014,083	903	11
MONUMENT OF SIGN	ORE	323,072	129	1"
Chiroscience	Phota RetG	571,714 38,041	1258 149	2.
Maries & Sipericar Vocastone Group	Tele	213,000	1959	í.
PURCHAIRE			_	
Base	Steel Steel	6,000 100,000	47	1
Caracton	BM&M	100,000	- 2	i
ITE Group	Chem	1,689,129	405	1
Meristem	Character	140,000	51 17	2
Zotafoems	Chem Cons	19,743 100,000	79	1
Peterhouse Group Time Products	Dist	175,000	115	2
Time Products	Dist	600,000	381	2
Independent Energy	EAE	12,500 7,145,000	66 435	1 5
Dowding & M. Hadisigh	Eng	35,000	47	a
Britax Intri.	Brig V	54,155	56	2
BOTON (CHON).	EngV	25,000 50,000	25 52	1
Britax Intni. Mayflower COTD.	Eng/	16,680	23	i
Linton Park	FdPr	27,000	81	3
Tate & Lyle	FdPr	10,000	33	1
Kynoch	High High	150,000 29,700	26	i
Denby Group Jourdan	HGod	100,000	37	1
Walker Greenbank	HGod	50,000	24	1
Walker Greenbank	HGod HGod	100,000 150,000	50 77	1
Walker Greenbank Ockham Holdings Pic	ins	21,177	16	i
Ockham Holdings Pic	ins	20,000	15	1
MANAGEO'	ins	140,001	21 50	2 1
City Merchant	InvT LEHI	26,608 141,210	100	ì
Laicester City Ramco Energy	ORE	46,800	117	i
Exploration Co.	OthF	10,000	28	4
Vanguard Medica Grp	Pivo	30,955	51	8 1
API Group	PP&P	8,875 10,000	24	1
Bungi Com & Don Broom	PP&P Proc	22,000	35	i
Cap. & Reg. Prop City Site Estates	Prop	1,041,667	271	1
City Site Estates	7700	500,000	130	1
James Smith Ests	Prop	80,000	83 75	1
Land Securities	Prop	10,000 70,000	75	1
Liberty	SSer*	100,000	178	1
Aggreko Mecro 4	<b>Miles</b>	5,000	17	1
Simon Engineering	SSer	85,000	36	4
Spring Group	254	254,609	255 32	4
Whitehead Marin Grp	SSer SSer	20,000 7,000	24	1
Zergo Holdings pic Companies count posity th	a Stock Exchar	ree within five w	orking days	of a sha
Zergo Holdings pro Companies must notify the transaction by a director	This list con	ales of transact	ions flores	and Am
transaction by a cirector including exercise of opti	ons (1) if 100%	subsequently a	ord, with a	YEAR OV

week's interim results per share (b) 9.91 (7.56) 3.5 (3) 0.881L (1.02L 1.71 (1.41) 15.1 (17.4 ) Gooda Durran Junys Hotel # 95.6 (- ) 123 (8.42 )

Share, except where offerwise indicated. Lates: 1 Het asset value per share. I test purits and perce. § 77-month figures. § 105 dollars and parts. © Previous year and figure. §§ Net asset value. For fixth purits and parts. © Provious year and figure. §§ Net asset value. © 9-month dispray versus pro forms process.

#### Results due next week

				Dividend (p)*			
	Company	Sactor	Annount due	last year interio	Lest year total	This year letterin	
	FORAL DRYIDERDS						
	Bullough	E g	fuestay	1.20	430	-	
	Denmans Electrical	Olive	Marchy	0.7	3.0	-	
	Fyffes	Roof	Monday	0.571	2.279	-	
	Greenwich Res	Eds.	Thursday	-		-	
	ML Laboratories	Phon	Thursday	-	-	-	
	PWS	lase	Marrier	0.3	0.76	-	
	RCO	SpSr	Monday	4.95	16.0	-	
ŀ	ENTERNAL DIVIDENOS						
	Bespek	HEC	Tuesday	E-7	13.7	-	
	Dixons	RH6	Wednesday	2.9	12.7	-	
	FI Group.	SpSv	Wednesday	2.6	7.8	-	
	Saville	Prop	Tueeday `	1.25	4.75		
	Stanley Leigure	Leb	Thursday	1.4	4.0	-	
	Tomkins	Eng	Monday	35	18.17	-	
	Trimp	SpSy	Monday	2.0	8.0	-	
	Vaga	SpSy	Wednesday	1,91	5.41	-	
	White	Tiles	Tuesday	4.00	2.5		

scours are person from making and should be weeke after the board traceling to minery results. \$2 lest questienty. \$2 and questienty. \$5 and questienty. This list is not

#### Last week's preliminary results

Company	Secto	Year To	Profit profit	: (E)(1)	Earn Per s	pisigi (D) " pipita	Philiper st	ans (b) Rugh,	
Allied Textile Burndene Invest Cardill Property Foresight VCT •	Nee£	Sept Oct Sept	18.5♥ 8.28	(16.3¥ ) (6.01 ) (0.474 )	18.7 8.05 14.7	(188) (4.05) (137)	12,86 2.5 3.5	(8.45	
Mediver's SEC	ABA Othe	Sep	0.823	(9.00SL.) (9.3.)	0.271,	(0,07L ) (12.79 )	-	(- ) (5.1 )	

#### Bids and deals

#### Vodafone offer

the race to buy US rival Air-Touch Communications with a £23bn (\$55bn) bid, writes Dan Bilefsky. Vodafone made its offer last weekend as AirTouch was negotiating a \$45bn merger with Bell

bid was successful.

group taken over by Sea- aimed at strengthening its gram of Canada in an \$11bm southern deal last month. The talks operations.

Vodafone, the UK mobile come as EMI struggles to telephone business, joined return to profit growth and seeks a new group chief

☐ Abbot, the UK oil services

group, and ProSafe, a Nor-

wegian competitor, are in

merger talks that could cre-

ate one of the world's leading platform drilling compa-Vodafone is thought to nies. Under the proposed have offered about \$90 a sil-share deal, shareholders share in stock and \$4 to \$6 in in each would take equal cash. The company denied stakes in the new company. suggestions that it planned Worth an estimated £500m, to sell part or all of Air- it would be listed in London. Worth an estimated £500m Touch's US operations if its Scottish Power has asked five US states to approve its □ RMI, one of the world's £4.2bm all-share bid for Pacilargest music groups, is con- fiCorp. It is offering 232 sidering buying London shares, or 58 American Records, the independent Depositary Receipts, for label which has All Saints every 100 PacifiCorp shares. and New Order on its books. 

Yorkshire Group, which London's UK label is supplies tives and chemicals owned by a trust linked to to the textile industry, has Roger Ames, president of the bought Viochrom, an music division of PolyGram, Athens-based dye manufacthe Dutch entertainment turer, for £138m in a move

#### Current takeover bids and mergers

ALC: NO.	Verben of 1965	_	Lil 94	- Water of	
bid for	hat spine,"			bid £pe~	
Abacus Pecruioment	ETZ	311K	1.55	15.89	Carrisia Group
Astec (BSR)	8-	85%	38%	262.3	Exerson Electric
BCH	260*	2481/2	2171	39.5	ALD Autoloosia;
ette.	120%	119%	95	3.90bn	Subs
Barbican Health.	117*	112%	<b>B2</b> 1/2	22.68	SUPA Pluspos
Bearing Power	17%*	1514	8	6.28	Hilling & Ald is
Blockleys	47%	42%	421/2	11.00	the living harms
Canning (W)‡	300*	295	26814	88.5	MacDermid
Cassed	100*	122%	46	7.3	Macmillan Pubu
Cassell	125	122%	174	8.86	Ürleş
City Site	28*	271/2	T III	4.37	<b>Vfoodvale Estate</b>
City Site	35"	27%	271/4	5.88	The Miller Gross
Clyda Blowers‡	1時*	165	14214	24.09	Redwood Grp
Crabtree Group\$	50°	4814	41%	10.15	LTG Technologic
Dennis Gro	475°	470	4521/2	268.85	Mayflower
Prens Halshaw	260"	257%	256	83.72	Pendragon
Evecare Products	15*	14%	12	T\$.3	Kappa
Focus Dynamics	36*9	2814	20	5.77	Crprte Resolve
Gardiner Groupt	29*	271/2	25	27.02	Recel Group
Heritage Batternsch	220*	215	1951/	40.48	Mason
Hewetson	200	195%	185	37.2	Kingspan
Jackson Group‡	96%	941/2	6714	20.78	Pelerhouse Brp
komes & Shipment	20*	20%	1215	5.14	Renoid
MMS Pumpleum	211/2	35	25%	259	Greenwich Res.
MAS Priroleum?	35*	35	28	4.27	Remco Esergy
Marley	125	123%	105)	363,37	Bux Group
Maraton, Thompan&Eval	3031455	302%	2461/2	277.50	Withinpto&Ddy
Mastheed Inscrice	115%	11236	107	48.6	W-
Metthew Clark	243*	242	1911/2	215.05	Centrodiague
Media Business	107~	105%	70%	27.93	ModaCons
PacifiCorp	1503	1239	1256	4.47 m	Scottish Power
Parkfand Group	35°	33%	221/2	43	Whiteok
Prism Leisure‡	75*	80	671/4	8.536	Linkwell
Jishers of Trowbrge	112	1101/2	971/2	110.77	Pinesus 1
VC ‡	120	117%	107%	46.8	(Gegfisher
/iglen‡	245*	261/2	2314	29.28	Amshott sec
Vision Group	62-	61	45%	23.31	STillieroelect.
Whice Broup	5814	62	40%	46.11	Photobition.
Molvertumpin&Deadly&			4371/2	331.25	Marston, Thomps
Marie la manage authors	oftendo bist	abel *18	cach of	ar Sifer e	ed where the least

#### Week ahead

March reporting season, operating performance. urites Martin Brice. Trading Wednesday: Vega Group, updates from retailers such the software development

Source: BARRA The helde Track, Edinburgh, 0131-473 7070 present price is about 100p ago.

Attention moves from below that. But Greg Hutchresults to trading updates ings, chairman, is believed and comments on the cut-to be adamant that he will look as companies brief ana- not break up the company, lysts ahead of the busy so concerns now focus on its

as Boots and Dixons are company, said in November likely to be examined for that its order intake during news of the all-important the first six months Christmas trading season. exceeded £20m. This indi-Monday: Although interims cated a strong increase in from Tomkins are not expect he order backlog that ted to reveal masty surprises, totalled £20.7m at the end of any statement on prospects April, according to Ingrid could produce some disap-pointment. Analysts' break-Gregory. She forecasts an up valuations for the group interim pre-tax result of have produced a share price £1.4m, up from £800,000 figure of about 355p; the for the same period a year

In the Pink

## Great party, pity about the nasty hangover

David Schwartz is wary about long-term share prospects, especially for those wishing to retire in 20 years

market's twists and turns for the next 12 months preoccupies of year. But few spare a moment to think about a far more important question: where will share prices stand two decades from

Commentators invariably paint a rosy picture about the future. Prevailing wisdom treats all downturns as temporary bouts of stormy weather, and projects annual price increases in the 8 to 11 per cent range

over the long run.
With growth of this magnitude, the future certainly does look rosy. A start-up investment of £10,000, with annual top-ups of £3,000, would reach £181,000 in 20 years if the stock market grew annually by 8 per cent. Raise that figure to £270,000 if prices rise at an 11 per cent annual rate. Dividend reinvestment would drive both projections markedly higher. But are these sums pie in the sky?

Recent trends support this optimism. According to Datastream/ICV, UK shares rose at an average annual rate of 12 per cent in the past 10 years. Unfortunately, a mark-

edly different picture emerges if forecasts for the future are based upon historical records from the past century instead of the past

This point is especially Important to investors boping to retire in 20 years on the proceeds of savings and pension contributions invested in shares. Continued price advances raise the odds of a financially comfortable retirement. Weak prices could leed to hard-

orecasting the stock tors with a number of valu- be wrong? In one key able pointers about the future. Topping the list is the need to account for inflation when making long-term projections.

Eliminating the effects of

inflation from a long-running trend makes a very big difference. The "real" rate of return in the past 10 years was close to 9 per cent annually, not 12 per cent as some claim - and these were exceptionally good

According to Barclays

You need not be a rocket scientist to realise that higher savings will probably be needed to compensate for substandard investment prospects

was below 3 per cent a year. The plain truth is that inflation makes everyone's investment track record look good but provides an unrealistic view of actual spending power a few

in the years ahead

ecades from now. So, what lies ahead? And where will today's portfolio stand two decades from now on December 31 2018?

Get ready for a shock. History warns that the odds of making zero profits in a single 20-year period are one in three after factoring out the effects of inflation. The chance of a loss, or a tiny profit of less than 1 per cent a year, is close to 50:50.

This critical fact contradicts vast volumes of books and speeches extolling the virtues of equities as a long-term, inflation-beating

respect, yes. Shares cerally below 5 per cent after tainly are a wonderful long-term investment -assuming "long-term" is defined as 50 or 100 years. Unfortunately, many midment cycles produces averdle-aged investors have an investment horizon of 15 or

20 years. My calculations of profit odds for 20-year cycles are based on data going back to 1918, when modern stock market record-keeping began. Happily, these odds will probably improve in the Capital Equity-Gilt Study, next few years. An enor-

drops in the 20 years that follow. There were 18 occasions during the century the real long-term return mous stream of aboveduring a 10-year period, such as during 1989-98. The record for the next 20 years was four rises and 14 drops. Each of the four prof-

itable segments produced very small profits. Once again, these figures will undoubtedly improve as the data from 1980-99 and

correcting for inflation.

Most cycles were much less

profitable. A mere one in

five of all 20-year invest-

age annual profits greater

continue. History also

shows that solid increases

in real terms during any 10

year period are usually fol-

lowed by stock market

The negative surprises

than 5 per cent.

other soon-to-finish 20-year cycles enter this unique But the underlying fact

average profits since the early 1980s will ensure that remains. Healthy profits in the preceding decade are rarely followed by healthy 20-year cycles due to end in 1999 and the next few years will be solidly profitprofits in the next 20

The mass of historical As a result, the odds of an inflation-adjusted loss or data keeps hammering weak profit in any 20-year away at a single critical cycle are likely to slip to point. Above-average profits near 40 per cent in the years in the post decade suggest low odds that anyone's present portfolio will grow very This new figure is a welcome improvement. Even much in real terms by the end of 2018, in spite of the so, a 40 per cent chance of finishing up with the same chorus of claims by vested amount of money that you industry interests.

started with (or less) after Investors siming at a spe 20 years of steady investing should be worrying to those should take note. You need taught to believe that not be a rocket scientist to long-term investing is a realise that higher savings will probably be needed to compensate for substandard Here comes a second shock. If you happened to investment prospects in the have held shares in a profityears shead.

David Schwartz is a stock able 20-year cycle, history investment. Can everyone reveals that the average



one-way bet.

#### range of European indices FTSE Eurolviid is a enique new tool that:

tracks European Wid Cap performance and complements our existing range of Indices. The broad based European Index of the FTIS&P AWA has been in FTSE Eurotop 100 and FTSE Eurotop 309 are widely held to be the most. accurate indices to track Large Cap estocks...but the FTSE EuroMid 🕸 😁

#### An essential difference

Mid Cap stocks have a much creater monditions than Large Cap. They

#### See for yourself

'The FTSE EuroWid is calculated real itane. The end of day values and a 🕞 ourrent constituent list can be four @: rôn our website. 📑 📉 📑 📝

http://www.ftse.com





True Fiction / James Morgan

erly investigated. Many people find it hard enough to think about Kafka, and totally impossible to think about that forbidding figure and the International Monetary Fund simultaneously.

So when dozens of us received a news release from the IMF headed "Executive Board Praises Kafka's Distinguished Record of Service" all but the most resolute logged out, switched off and ran away. One Nobel economics laureate I questioned described the coupling as "a nightmare scenario struck by a neutron bomb". I, however. oursued the matter and this is

Franz Kafka made the IMF what it is today. I discovered looked note in the diary of John

passe ing.

that

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evide lar t ing i both and knov The rem MCI from catio the prot

rude ber's mucl had weat Ame have payr uner 4.3 p ures undi to h mon mutt of a inve lowi last who

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Maynard Keynes where he said (WAII) in Prague. That is where that he and Harry Dexter White the great Czech novelist gained arrived at Bretton Woods in so much of the experience which 1944 with copies of Kafka's The Condition in their brief-

This book has unaccountably, or perhaps not so mnaccountably, disappeared and inquiries ut it are always met with studied ignorance. But fragscript have been in my family's possession since great uncle William managed to win Kafka's wallet at a game of skat at the Three Ostrichers in Prague's old

But first a bit of background. Kafka, as is well known, had been an employee of the Work-

later illuminated his life and

The WAII had a unique organisational system for its time but much was later to be replicated in the IMF's articles of agreelish a procedure whereby the executive board, when it deems such action to be in the hest interests of the Fund, may nors on a specific question without calling a meeting of the

This reflects a world Reflex knew well: the WAII also expec-

out meetings being called, or even without the governors being told a vote was taking

official who looked after the

the Front.

"That is for you to decide."

have the money. You will get the

How Kafka accounted for the IMF tion work. "And you will have to declare your intent," said the Manager, "That means not just

And so Finmin went home to see what he could do. He wrote that he would work hard and use the loan well and invest it in

But when he som it, the Man that he could not get the money by making everything better. "Your house is too big and it means you are wasting too much. You must adjust its structure.

So Finnin went home again,

pulled down his beautiful new conservatory, emptied the medicine cabinet, took his children out of school and sold his burglar alarm. He then made his children pay for their food with the money they gained from delivering news papers to their neighbours. He sold the family silver to the same neighbours and then rented knives and forks from them.

And the Manager said: "You have done very well, so well that you do not need the money. You have met the condition." Firmin went back home won

dering why he did not feel very happy. When he got home he found that his family did not want him any more and told him to go away. He asked the Fund for help, but the Manager said he could not get any help, for the Fund was there to help families and even his family needed no

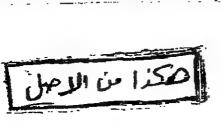
Great nucle William said th story ended with Finmin getting a job with the Fund, but we can

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Metropolis

# A splendid cocoon - at £1,200 a night

Fears of recession are having no perceptible effect on the boom in London's private clubs, writes David Baker

rom next week drink-London's newest priwill be able to win or lose law-dropping sums of money in an instant, thanks to a direct link-up with IG Index, the City favourite spread-betting

They will be able do so in sumptuous 18th century surroundings, sup a fine vintage armagnac while playing, and, for £1,200 a night, sleep it off in some of the most luxurious overnight accommodation in the capital. Home House is the £12m brainchild of Brian Clivaz, former managing director of Simpson'sin-the-Strand and self-described "fuller figure" in the hotel and restaurant world. His baby will be a long way from the dusty gentlemen's clubs of St James's

or the more louche set in Soho. "There was simply no grand club in London any more," says will have a full membership. Clivaz. "I wanted to fill that gap. It is my dream that Home House will live again as the centre for fun, gossip and glorious entertainment it was in the 18th cen-

ost people think it is

most obsessed by

. the weather, Judged

by recent experience, including

last weekend's in the Washington

area, that honour now surely

belongs on the other side of the

weather can be more extreme. A

big flood on the Mississippi, for

example, is bound to be more

serious than one on the Severn

because there are no Malvern

Hills and Welsh Mountains to

hem it in. Its great overspilling of

1927 gave the nation Herbert

Hoover as president one year

later, which shows how disas-

Atlantic.

trous it was.

shell of a building to its 18th century splendour. Alongside the vice." more prosaic contractors tramping in and out of 20 Portman Square in London's West End. formerly home to the Courtauld Institute and Anthony Blunt. have been specialists in porcelain restoration, 18th century wallpoper and historic paints. The whole building is now as close as possible to what it was when completed by Robert Adam in

To be part of Brian Clivaz's dream. Home House's 1,500 members will have to pay £1,500 a year (plus a £1,500 joining fee). And for those who cannot quite make the £1,200 nightly charge for the penthouse, smaller rooms start at £300 a night. It is expensive - but Clivaz is confident he

"Look at it from an international perspective," he says. "Most London clubs offer you small garret rooms to spend the night in. The international trav-

ers at Home House, the culmination of a project last- chester. We are offering equivaing more than two years and lent accommodation plus the vate members' club, involving the restoration of a opportunity to be known, to be secure and to have great ser-

> Clivaz won't say how many members have already signed up, but in November and December he ran a series of champagne receptions (City traders one day. the arts crowd the next) at which potential Home Housers could take in the decor and imagine having an 18th century palace at

> their disposal. Backing these up is an expensive-looking and mildly camp direct-mail campaign. Under "dress code", the mauve and purple brochure states: "Nudity discouraged. Jacket and tie not

> required." Clivaz is ebullient about the mix of people this approach will attract. "Although an exclusive members' club," he says, "it will not be elitist. No restrictions will exist as to members' sex, creed, colour or age." There is one proviso, of course: members must be able to afford the fees.

This month's opening will be the Lanesborough or the Dor- tains of Home House, another Astor household and temporary and the in and Out are spending London club is preparing to

The in and Out, more properly known as the Naval and Military Club, has come to the end of the lease on its premises at 94 Picca-

Almost all London clubs, from the Garrick to Soho House, have a membership waiting list

torches over its front gates. The club's Kuwaiti landlords are holding out for an increase in rent - unsurprisingly, as the club has been paying less than £6,000 a year since 1865 - and the In and Out will move next month to Nearby, but light years away new premises at 4 St James's in one or two areas of the club. eller is going to go and stay at from the chiniz and ruched cur- Square, formerly home to the

accommodation for General de about £25m on their new proper-

For Sarah Moulder, marketing and membership manager, the move is a chance for the club to diversify. "We need to keep our eyes open for new members," she says. "The number of people in the military is falling and we are now looking for members from other sectors such as professional people living in London."

To lure them the in and Out has cut its annual town memberfee) and is softening some of its

"I think equality should run through a club," says Moulder. "From this month, for example, ladies will be able to be full mem-bers of the club and have a vote in its running. And members who use the Babmaes Street [back] entrance to get to the fitnass centre and brassarie will not have to wear a tie."

"discouraged" from setting foot Between them, Home House

Gaulle during the second world. ties. (The in and Out's move was helped by a 24.5m sweetener from itself exposed by such expendi-

the Garrick to Soho House, have a waiting list of potential members. At some clubs the wait is only a few months, but it could ship to £395 (plus £1,000 joining front of the queue at White's.

Business is so good that other clubs are expanding, too. The Groucho Club last year bought the restaurant, 192 Kensington Park Road, and is looking for a

"small botel" in London. Soho House already has a small hotel - Babbington's, near Bath - and runs a boat at Cannes each club, maybe in Glasgow.

"Clubs do well in a recession," Egalitarians should note, says Clivaz, because people like though, that women will still be to be secure, to be in an environment where they are known, comforted and cocooned. A club

The Groucho, adds: "We are not immune to recession, far from it, but there's a certain stability its landlords.) But with talk of an about a club that a restaurant, economic downturn on the way, for example, doesn't have. People is the luxury club sector leaving are loyal to you and they don't want to drop their membership." ture?

Guy Topping, general manager
In fact, the sector is booming.

at the Cobden Club, home from

Tony Mackintosh, chairman of

Almost all London clubs, from home for hip west London literati. agrees but adds a warning: "The only drawback with a members' club is you can start off with lots of people joining - but take seven years to get to the then they also turn out to be members of other clubs like The Groucho or Soho House, and so they only come five times a year. You have to do something to make them come more often."

And that, says Alan Linn, general manager of Black's, comes down to something fairly basic: "Let's face it. There is a great sense of kudos in offering to take year. It is looking for another someone to your club. People get a kick out of it. It's as simple as that."

■ Home House opens on January 15, tel: 0171-670 2000. The In and Out club moves to St James's Square on February 1, tel:

Arcadia / Jurek Martin

# Sky's the limit for disaster watchers

natural disasters of biblical pro- they said, and watch football. took up residence there.

be part of the warp and woof of land to buy the morning papers. Ronald Reagan Building. American life. In Maine, they bat still a bit twitchy because the ten down for the winter in their radio warnings were londer than crusty Yankee way (ie ferment ever. And there, in the parking Republicans living in Washingcranberries). Minnesota expects lot of what used to be Earl's wicked winter cold and is there- Truck Stop, also a brothel in its taxi cab. But Williams, who fore phlegmatic about it.

magazine, the Washington Post, anticipation. The US also has trailer parks. warned a week ago last Friday which spawn tornadoes, and very that an ice storm of mega-maghigh mountains, which attract nitude was bearing down on the nis balls, contact lens solution. celebrities and therefore heavy capital and its surrounds. Every And on the way back we listened

palmier days, were three big yel-Closer to home, the local parish low snow ploughs, snouts aloft in where his notorious predecessor,

We braved Highway 301 to buy necessary supplies - cheap ten- Barry's problems with the white snow. Los Angeles, where it TV and radio station chimed in to the inauguration of Tony Wil- in a hotel room - which started film of something cold out there.

of Washington and discovered But such phenomena used to country place in southern Mary-nies to be moved inside to the The symbolism of this is inter-

ton DC can normally fit into a seems intelligent and funny

Back in front of the fire, I set- still standing, as were the trees downed trees and possibly locusts. Nervously, I looked outside to discover it was still per-

fectly clear, if chilly. stuff - ice and snow uncleared out of the front door and, indeed,

It is true that American portions since Rupert Murdoch On Saturday morning, I venthat the threat of inclement the down for college football but and power lines. It was bucketing tured out in the car from our weather has caused the ceremo-every time the game got interest-with rain but there was not a ing the sound went off and the patch of ice in sight, nor was screen split to allow a local there much the night before, weatherman to intone about apart from the West Virginia esting, since the number of impending disaster, power cuts, panhandle 50 miles to the west where all the old spies live.

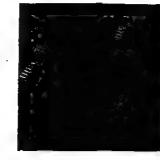
another false alarm, the product of hysterical local media terrified Just before the Louisians to be caught with their pants Marion Barry, was neither, chicken pies and Australian bur-down, less like Bill Clinton than clearly knew his history. It was gundy, I heard something patter the British weathermen who ing on the window, stuck a toe failed to predict the great hurricane of 1987 because they were from the streets and then cocaine nearly slipped. There was a thin all at a Bob Dylan concert in Wembley Arena,

But I get the feeling it is more

millennial than anything else. What with millennium computer bug problems, impeachment fever, Saddam Hussein and no professional basketball, the US is looking for disasters wherever it can find them

And with crime on the want, unemployment down and Newt Gingrich no longer around, where better to seek it than the skies. Just nine months ago we were told a vast asteroid was going to blast us all into a new. ice age. Disappointed that it is going to miss earth, the US will You could chalk it up to happily settle for mere ice storms. The British had better

> Chess No 1266: 1 Of2+1 Kg7! If Kn6 2 Of6+! KdB draws by statemate. If Ob2+1 Not 2 Of7+? Kh6 and wins Kh71 Not Kh87? 3 Oh8 mate, and not 2... Qd47 3 Qb7+ and 4 Qx winning. 3 BySH KygS 4 Og7H Kyg7



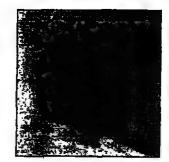
Art on the edge

The current frantic fashion has created a febrile environment where people pretend it is some kind of a game'



**Bugs and the Bard** 

How long before Tom Hanks lends his digitally-scanned essence to the role of a bacterium?"



**Weimar: City of Culture** 

'Nowhere in Germany is the question of how high culture yielded to burbarism more insistently present than here'

Page VI

Page VIII

# Swansong for the century

The function of art today is to serve the masses, says Andrew Clark. Will the next millennium see society react by returning to a new form of elitism?

unnecessary as they are now. Paradoxically, the arts have never been as available as they are now. That is the swansong of our century. It was the century in which, for the first time it is Elliott Carter's or Harsince man and woman gave aesthetic shape to life, art could be disseminated globally. Education, print, design, technology: these have always been gladdened were to be the seeds of para-when their creations went dise, the tools of man's

At least, that was the credo of arts visionaries at what they wanted to the last *fin-de-stècle*. It was a creed of altruism. Art was no longer to be the preserve of the aristocracy or the were to entertain, they did inform every aspect of life. cost. Popular culture must its goal was nothing less than to open the eyes of the common man to the finer things in life - in short, to far less success in his life-

Zoom forward 100 years. Art is everywhere. We have museums, concerts, design awards, travelling exhibi-tions. Leonardo's "Mons formance. So was Carmen. Lisa is recognised the world over. Schoolchildren are familiar with Monet and Beethoven, Bizet and Stra-Mozurt. Tunes from the classics have been adopted by the advertising industry. National cultures crossfertilise on a scale that could artist should create. never have been dreamed of

n century ago.
And yet the arts have been marginalised. On the one hand, they are so commonplace that they have become routine and repetitive. On the other, they appear inaccossible next to the million other things that bombard our late 20th century consciousness. Technical reproduction, that genie of the the dissemination of the countermodel to life, not to arts; it made possible the create utopias of love, har-creation of popular culture - mony, freedom. That prescreation of popular culture a phenomenon that had sure comes from the market never previously entered the equation because the media politicians increasingly, sur-

did not exist to develop it. That is why, instead of disceminating aesthetic values,

The function of art should be to stand outside society. technical reproduction has to challenge it, to make cuded up perverting them. It people think. But such a phicreated a medium for popu- losophy threatens anyone larising things that have little substance. The power of pop culture lies not just in its superficial appeal, but the function of art today is also in its weight of numbers. It is thanks to that der to the taste of the major-power that the numbers ity. If that was not the case, game - ratings, charts, the rule of the market, call it mantras as "access" and what you will - has become

the touchstone of value. Value today is defined by demand, which is dictated by mass taste - which in turn is determined by the tor. Instead of being a collecculture has been reduced to words, what sells most. In an be instant, the ephemeral supplants the transcendental. By definition, the arts

Commercial values are not who understand the numnever been as something new to art. Many composers of the past made a living by trying to please. Most are now forgotten. Even Mozart had to please. But pleasing others was not his primary goal - nor was it Beethoven's, any more than rison Birtwistle's priority today. Great artists want to communicate - otherwise they would not create - and down well with large numbers of people. But their fundamental aim was to express express: a vision, a dream, a utopia, a countermodel to life, whatever. Happy as they entertain at all costs.

Artists pay heavily for their ideals. Mozart enjoyed time than his contemporaries Salieri or Anfossi, who pandered to the market. Beethoven's Fifth Symphony Le Sacre du printemps was booed off the stage. But vinsky survived because they had patrons intelligent enough to realise that they could not dictate what an

Today, if art does not moters of Charlotte Church. In an age when everything has to be instant, the ephemeral supplants the transcendental. ■ The arts cannot compete

- a dictatorship to which

reptitiously, pay court. whose power is based on populism rather than educated choice. That is why to serve the masses, to panwhy would we invent such "accountability"?

The old elitism, which restricted art to a narrow band of the privileged, has been replaced by a new elitism - the elitism of underlowest cummon denomina- standing. Today, "elitist" no longer means the application tive of individual expression, of the highest standards; it means something that is not what "catches on" - in other comprehensible to everyone within a few minutes. The age when everything has to problem with this is that it

subverts the meaning of art. elsewhere, because it is balance, for a sense of values When art ceases to be a chal- acknowledged that artists in which the tyrannies of the lenge, it ceases to be art. It cannot and should not give media, of beat, of literal

please instantly, it will not Andrea Bocelli and Vanessa sell. If it does not sell, the Mae, they are geared to prod-artist will not survive. There ucing shows that have mass late 19th century, turned out is every pressure not to appeal. That is why their to be a sorcerer's apprentice. experiment, not to dream for products rank as, at best it did not simply facilitate the future, not to suggest a showbiz, at worst sentimental kitsch. It is certainly not

The sense of Platonic ide-

alism which inspired the

the Spice Girls. Like the pro-

bers game and have worked

out how to make money

from it. How else could a 12-year-old Welsh schoolgirl, a blind Italian tenor, or a

scantily clad Oriental violin-

ist make it to the top of the

classical record charts? None

of these so-called "artists" is

technically or musically

would sell. Why has the soundtrack for Titanic

proved so popular? Not

because it is an original

piece of orchestral music.

but because it is an amal-

manifestations of commer-

must-have toy.

ture, and which fuelled its dissemination in the early part of the century, has given way to aesthetic nihilism. I am not just talking about computer games, techno-beat, dung-and-entrails art, or the exclusion of the trail by dispensing with Shakespeare from the Mil-their record companies and lennium Dome. I am referring to the way arts subsi-dies are discussed. On the one hand you have the artsversus-hospital-beds argument, which presupposes only one choice. On the to the culture of dumbing other you have taxpayers, who say that, if they are paying good money for art, it ought to conform to their expectations. "If it's not what I expect or understand, I don't see why I should pay for it" has become the pre-

vailing argument. Not, perhaps, in Germany for a new alignment of mind - at least, not yet. The arts and matter, for an aesthetic in Germany are still subsidised more generously than and emotions regain their have a deeper aesthetic and philosophical foundation. They simply cannot comcare about art, but by those attitude of artists in the sary again.



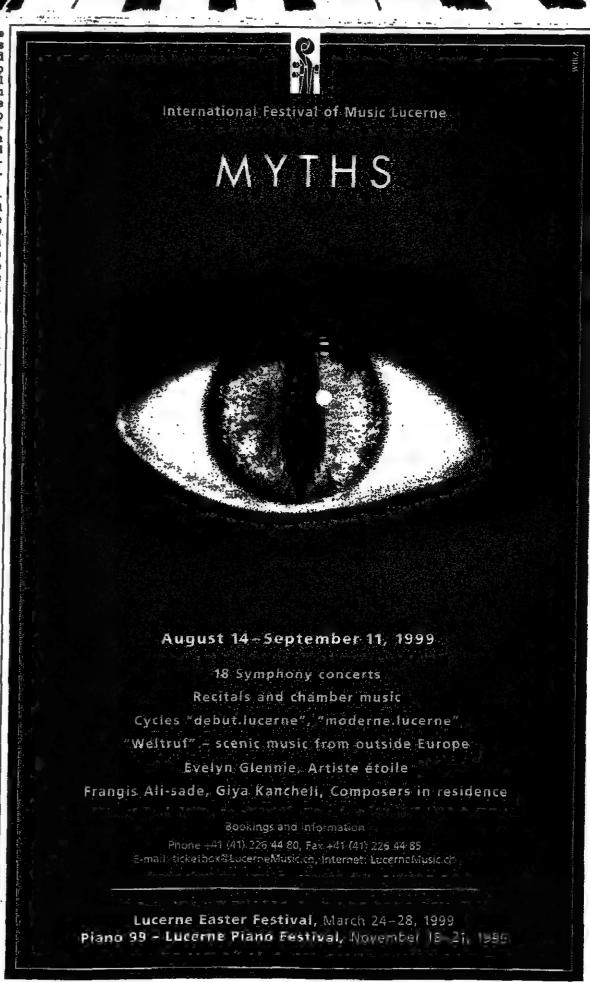
post-war era, allied to the gacy of the Nazi years, has left the country ill-equipped to withstand the blast of pop gam of feelgood sounds. None of these has anything culture. Germans are still to do with art. They are all proud of Bach, Beethoven ture, and as such are uk and the us, hon-do no different from the cuddly musical performance is done-Furby, this Christmas's inated by works that are on average 130 years old. And There is nothing wrong even that takes up a decreaswith making money out of ing slice of the national con-the arts. Indeed, art cannot

survive without an element We are back to the quesof commerce. But art loses tion of "access". Technical its essence if its ratings reproduction – that is, the potential becomes more media of print, screen, audio important than its value as an expression of individual bombardment of sensations creativity. Hollywood would and images, for which the not dare say snything that contradicted popular tasts. Nor would Andrew Lloyd thought-inducing the attack, Webber. Nor would the backthe more likely it is to sucers of the Three Tenors or

What can we take forward to the new millennium? It would be a mistake to assume that a century of commercialisation will give way to a century of computerisation. Computers may ease the technical process of creativity but they will not alter its basic forms any more than electronics did. The human mind can be relied on to use a computer no less creatively than it did a harmonic system or a movie screen.

What we will see, thanks computer-generated media, is a change in the way the arts are sold and consumed. We can look forward to a breaking down of barriers between creator and consumer. The middle man - in the shape of the record company, the publisher, the wither away. Some rock artistes are already blaxing selling direct on the internet. There is no reason that authors, composers and classical performers should not do the same. Perhaps society will react

down by returning to a new form of elitism - the elitism of those who prize individual excellence and individual expression above massproduced ephemera. And tation of old forms and structures, we may start to search world in which structure



s the century nears its

with the high seriousness of her Holocaust Memorial now under construction in Vienna, and Gary Hume prepares to represent Britain at the Venice Biennale this June, the next generation scems content to play with all the brightest colours in their paintboxes and their favourite furry toys - see the current show at Camden Art Centre - while hanging around waiting for the next big thing. And the really clever ones cover their backs by saying that there will not even be a next big thing: that big things are over: and that making the odd picture in your living room and calling your flat a gallery will do just fine, thanks. Small ideas, suburban comforts will see us through, they murmur, cocooned with the TV and their favourite easy-listening albums while out there, somewhere, the last thousand years of measured time tick to a close. This is the thinking behind the

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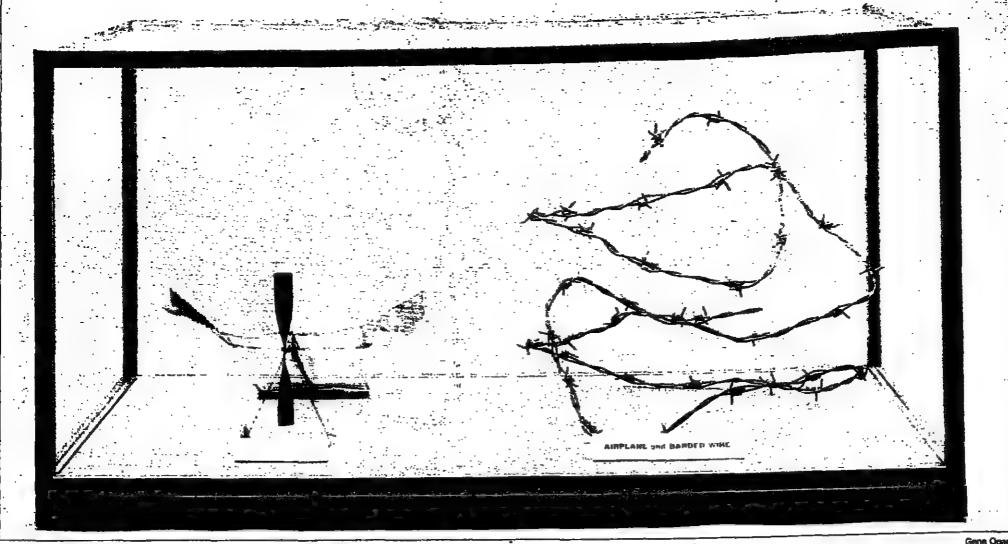
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self-consciously pretty, pretend lighthearted painting and sculpture which dominated London shows as the year drew to a close. There's been "Die Young, Stay Pretty" at the ICA, "Dumb Pop" at the Jerwood Space, and in January the Saatchi Gallery gives the movement its apotheo sis with "Neurotic Realism". shown not just once but twice with a second part in September.

It is hard to believe that such slight stuff can stand this intensity of scrutiny. While there is no doubt that it is a strong trend that needs to be worked through. the second Saatchi show seems like a hostage to fortune. Surely by September we will be tired of fantasy interiors based on film star homes as painted by Dexter Dalwood or Martin Maloney's posing as a post-modern Poussin, redefining Greek myths in badly painted sex club gropings. Please ... can we not be serious, just for a minute?

This desperate frivolity seems to be a peculiarly English condition. No matter how successful the YBAs became, there was always an underlying feeling of "I can't believe I'm doing this" or, as Damien Hirst put it with his usual perceptiveness: "I'm always waiting for someone to stop me. So far nobody has... American artists, as the great shows of Jackson Pollock and Mark Rothko in New York last year so clearly demonstrated, had no trouble living out the heroism of painting, even if it ultimately

led to their tragic deaths. already there a new installation, ronment where people work in mile.



Contemporary art

# Cutting edge loses its sharpness

The next wave of young British artists lacks the current generation's daring flair, says Lynn MacRitchie

"When Robots Rule", specially made for the Duveen Galleries by the Los Angeles-based artist Chris Burden. Burden is just as involved in contemporary culture as his British counterparts, using models and toys to make great sprawling table-top metropolises such as "Pizza City", but the scale and obsessiveness of his enterprise takes it way beyond irony to make a serious commentary on our times. A serious look at the world can also be found in the work of South African artist William Kentridge, whose video projections and drawings, dealing with the politics and racism of his homeland, can be seen at the Serpentine Gallery at the end of

Chris Burden lives in a canyon outside Los Angeles, able to cre- ecting films outside on the chimate a world of his own. The teem- ney and initiating off-site work ing spread of London and the such as the film installation by at the Tate in March, it will find has created a more febrile envi- Mary le Bow church in Cheap-

each other's pockets and pretend that it is all some kind of a game. There is a lot of cod-democracy, too; a notion that anyone can do it. Last summer, the Chischale Gallery held three shows selected from open submission which attracted thousands of entries. and it plans to do so again in

Even the Tate is joining in,

inviting all artists living in Southwark "from the internationally famous to the amateur - all will be awarded the same status" to submit small works for its Bankside Browser show in April. To be fair, its programming around the fast-transforming Bankside, still on target to open erally, a breath of fresh air, proj-

ing out the Monet, ring in Van Gogh.

in the wake of fund-

ing cutbacks from

the government and private

sector, many American

dependent again on power-

house popular Impressionist

and post-impressionist exhi-

Also south of the river, the ers painlessly through the labyto Peckham has already established itself with high profile shows by both YBAs and gran-dess such as Anselm Kiefer, glad of the chance its high white Vic-

South London Gallery on the way rinths of Hackney, Hoxton, Shoreditch and beyond: their last tour of 1998 included venues opened only days before, so it's a good way to keep up with a scene which can seem bewildering to

#### As Damien Hirst perceptively put it: 'I'm always waiting for someone to stop me. So far nobody has . . . '

torian spaces give to show enor- the more casual victor. mous paintings. It kicks off the year with Julian Schnabel, wild boy of 1980s New York, not seen in London for more than a

One of the most important strands in current art is a sort of

careless internationalism. Successful artists travel a lot and curators flit from continent to The continuing spread of art continent selecting the large venues throughout London, often scale blennales that have become in fairly inaccessible locations, such a feature of the scene. This can make getting around every- year's biennale destinations, thing a nightmare. One solution apart from Venice in June, are is to book a tour with CAST, Con- Istanbul in September, Kwanju in temporary Art Society Tours. August, and Havana, date to be gence. There were art works dot-Once a month, they whisk punt- announced. A newcomer is Liver- ted about in a casual sort of way 7111.

pool, whose first biennale will be held in September. Directed by Tony Bond from the Art Gallery of New South Wales, a thoughtful and serious curator, this should be one to catch. The epitome of the medern

curator is surely Hans Ulrich Obrist. Officially based in Paris at the Musee d'Art Moderne, he is always everywhere, looking, talking, writing. Co-curator of "Cities on the Move", the study of contemporary urban development in Asia which comes to the Hayward Gallery in May, he has also, with colleagues Maria Lind and Rebecca Gordon Nesbitt, established Salon 3, a peripatetic exhibition and discussion space temporarily roosting in an empty shop in the Elephant and Castle. Its opening evening summed un the cutting edge art event of the late 1990s. An eminent scientist

downstairs stayed open until four in the morning. For the truly cool, in 1999, down the Elephant may be just the place to be.

■ Laura Ford and Jacquie Poncelet, Camden Art Centre, until January 31: Die Young, Stay Pretty, Institute of Contemporary Art until January 10; Dumb Pop, Jer wood Space, until January 17; Neurotic Realism, the Saatchi Gallery, January 14-March 28; Chris Burden, Tate Gallery. February 16-June 6: William Kentridge, Serpentine Gallery, April 21-May 80; Julian Schnabel, South London Gallery, January 12-Febructry 28: Cities on the Move: Art and Architecture in Asia, Hayword Gallery, May 18-June 27. Salon 3 information 0171 252 4661 or salon antomail.com. Next CAST tours January 30 and Febings from Kate Steel, 0171 881

for the ev



**US** exhibitions

## Beware of the crowds

Impressionist mania also has its downside, says Paul Jeromack

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Van Gogh have their outputs re-analysed, re-categorised and re-packaged each time with a different slant. The drawback is that visit-

museums are increasingly ing these shows usually offers about as much aesthetic uplift as a Tokyo subway car during rush hour. Hoping to alleviate the situa-



gyms), the Los Angeles County Museum of Art will "Van Gogh's Van keep Goghs: Masterpieces from the Van Gogh Museum, Amsterdam" (January 17-April 4) open 24 hours a day will stand up to the rigours though reservations must

Expect similar crowding at "The Collection of Dr Gachet" at the Metropolitan Museum of Art (May 25-August 19), which features more than 50 paintings and drawings collected by this homeopathic physician who was friend to Pissarro, Cézazme, and Van Gogh. In contrast with her male

impressionist brethren, the American Mary Cassatt has still not received her critical due, a fact perhaps less due to her sex than to her nationality. After closing at the Art Institute of Chicago on January 3, "Mary Cassatt, Modern Woman" travels to the Museum of Fine Art, Boston (February 14 - May 9) and to the National Gallery of Art, Washington (June 6-Sept 6) - the latter venue is recommended as her work is well represented in the non-lendable Chester Dale bequest there. .

The National Gallery is also hosting the huge John Singer Sargent retrospective (Feb 21-May 31), although one should perhaps wait until the show gets to the Museum of Fine Arts. Boston (June 23-Sep 26), as both the MFA and Boston Public Library house exceptional murals by the artist. Two delicate hot-house

are similarly bonoured this year: Alphonse Mucha (Jan-Philbrook Museum, Tulsa, Nevada Museum, Reno and

Monet, Renoir, Manet and tion somewhat (and taking at the Art Institute of Chi-Van Gogh have their outputs their cue from many local cago (February 13-April 25) cago (February 13-April 25) and the Metropolitan Museum, New York (June 1-August 22). Though delightful taken in small, carefully chosen doses, one wonders how these artists

> Likely to be on firmer ground is the Honoré Daumier retrospective at the National Gallery of Canada, Ottawa (June 3-September 6), and one of the most eagerly anticipated exhibi-tions of the year, "Portraits by Ingres", (featuring some 40 paintings and 75 drawings) which comes to the National Gallery, Washington (May 23-August 22) and the Metropolitan Museum (September 27-Jan 2, 2000) following its appearance at the National Gallery London in late January.

of such full-fledged retro-

or aficionados of Old Masters, there are fewer special shows this year. The rare 16th-century Ferrarese master Dosso Dossi is featured at the Metropolitan Museum (January 14-March 28) then travels to the J. Paul Getty Museum (April 27-July 11). Concurrently, the Getty will be hosting a small show devoted to Dosso's 15th-century predecessor at the Este Court, Ercole de' Roberti. Though comprising only 11 pictures, it is nearly half of that artist's surviving OCUVIC.

Following the Ferrarese, the Getty will host Adriaen de Vries, the first retrospecflowers of 19th century art tive of this great Dutch mannerist sculptor, featuring more than 37 bronzes, some uary 31-March 28 at the life size (October 12-January North Carolina Museum of 9 2000). Another great sculp-Art. Raleigh, thence to the tor similarly honored is the German Renaissance master Tilman Riemenshnelder at the Worcester Art Museum, the National Gallery, Wash-Mass.); and Gustave Moreau ington (October 6-January

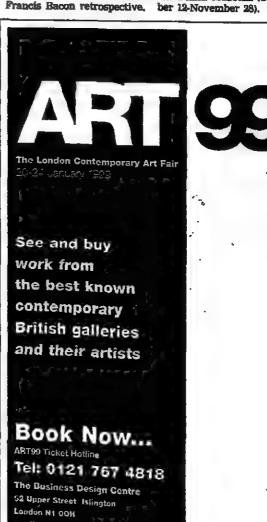
Institute of Chicago and four other US venues later in the

One of the more intriguing exhibitions of 20th-century art is "Max Beckmann in Paris", the first examination in context of this German master's influences on his better-known contemporaries Picasso, Leger and Matisse, its only US venue is the St Louis Art Museum. Which possesses the greatest cache of German expressionist art in America (February 6-May 9).

In a similar vein is the

10, 1999). The Walters Art which travels from the Yale Gallery will feature the first Center of British Art, New American travelling exhibi- Haven (January 23-March 21) tion of "Art in Poland: to the Minneapolis Institute 1572-1764" (March 2-May 9), of Art (April 11-May 30), the which travels to the Art California Palace of the Legion of Honor, San Francisco (June 13-August 2), and the Modern Art Museum. Fort Worth, Texas (August 22-October 24).

Although he has recently been overshadowed by the iconic status of his wife Frieda Kahlo, the Mexican painter and muralist Diego Rivera will finally receive the treatment he deserves in a retrospective travelling (Feb 14-May 2) to the Los Angeles County Museum of Art (May 30-August 16) and the Dallas Museum (Septem-



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#### GLOBAL ARTS '99

Galleries

# Cornucopia for the eyes

William Packer says the galleries of Europe and Britain promise to make 1999 a year to remember

coming to the galleries over the next 12 months, whether at home or abroad, is rather like looking down the wrong end of the telescope. I note things down as the information comes in, and have by now a fairly full idea of January's offerings. but even February is still quite thin, and so it goes on, with next December as yet quite bare in the diary.

But that is the way of it. To try to get regular advance information out of Italian museums, for example, or the Spanish for that matter, would be a full-time and not exactly fruitful job. The Venice Biennale has lately been provisionally set to open in mid-June, but we note the "provisionally". I hope and even think it will be confirmed, for maddeningly chaotic and inconsistent as it is bound to be, it remains a wonderful festival contemporary art and its elated commerce and preensions, and, as always, I find myself looking forward

to it immensely.

And, to be fair, the principal exhibiting institutions. et least in England and France, do have their plans laid well enough. Here in

To look forward at ate future has some real Gogh and Cézanne, in his this time of year treats in prospect, what with role as a collector and towards what is the "Monet in the 20th century" that was in Boston. now coming to the Royal Academy; "Portraits by Ingres", which is selfexplanatory enough, to be shown at the National Gallery; "Picasso and Photography" coming to the Barbican from Paris; Drawings from

reappears in Paris at the Musée Picasso, in "Dialogue the Roman Baroque showing avec Picasso", which exam-

#### In June, the self-portraits of Rembrandt will be a key event at London's National Gallery

at the British Museum; and King Charles L at the 350th on his work, especially his anniversary of his execution being honoured by a portrait and documentary exhibition, "The King's Head", at the Queen's Gallery at Buckingham Palace. All these shows open within a day or two of each other at the end of Jan-Elsewhere, the under-rated

19th century Scottish painter, Archibald Skirving, is revived at the Scottish National Portrait Gallery in Edinburgh, and a major show of 19th century English Watercolours goes to the Hermitage at Lausanne. Paris, meanwhile, at the Musée d'Orsay, is to see Dr

role as a collector and patron of the impressionists and their circle; the big Mark Rothko show, from New York, at the Musée d'Art Moderne; and David Hockney at the Centre

In February, Hockney

printmaking. In London we are to have at last, at the National Portrait Gallery, a proper celebration of John Everett Millais, the pre-eminent pre-Raphaelite and late Victorian Academician, whose centenary was oddly neglected in 1997. Patrick Caulfield, one of the very best of the painters to emerge from the British Pop-Art movement of the early 1960s, and whose work has simply gone on improving, is to have a long-merited retro-

spective at the Hayward; and

the Tate is to give us

another study of Francis

as it has been for last year in New York. If this does not reconcile the sceptic at last to modern painting, nothing The National Gallery's small study of Rogier van der Weyden also looks espe-cially inviting, as does that at Harewood House of the work that Thomas Girtin, Turner's early peer, made in the North of England. In Edinburgh, the new Dean Gallery, housing the Paolozzi Gift and the Dada & Surreal-

ist archive and collections.

will open at last as an

invaluable and long-needed

National Gallery of Modern Art across the road. April in Paris sees a major show at the Grand Palais of Egyptian Art in the time of the Pyramids, and in May, in London, we shall have at the Queen's Gallery, the last show before it closes for remodelling, the drawings of Raphael in the Royal Collection, to complete the sequence of Leonardo and

Michelangelo. There is also to be a Victor Pasmore retrospective at the Tate at Liverpool, the opening at the Tate at St Ives of a commissioned group show centred on the forthcomins total eclipse of the sun, and of course the Summer Exhibition at the Royal Academy. Japanese Masks at the British Museum also looks intriguing.

But the more important shows this month will be abroad - the "Nympheas" of Monet at the Orangerie in Bacon, including the works Paris, and in Antwerp the London indeed the immedi- Gachet, the friend of Van on paper that have lately retrospective of Sir Anthony

stop shopping, with many

more goods on the premises

for inspection and a much

more comfortable ambience.

Both auction houses now

own dealers, and are close to

a worthwhile profit.

market, and they also see

publishing and education and in the retailing of quality goods such as jewellery

and fashion accessories.

They will still hold auctions

come to light. But the Tate's van Dyck in celebration of principal contribution to our the quatercentenary of his spring comes in March, with birth. It comes to the Royal the definitive retrospective Academy in September, but of the abstract expression-Antwerp, his birthplace, ist's abstract expressionist, must be the place to see it Jackson Pollock, which first

could well prove to be our Along with the Venice exhibition of the year, just Biennale, as I hope, June brings several notable shows - in London, at the National Gallery, Rembrandt's selfportraits, which cannot but be a major event; and, at Annely Juda, more David Hockney, this time his draw-

ings.
There is to be a Bonnard exhibition at the admirable Gianadda Foundation at Martigny in Switzerland; an ambitious survey show of Netherlandish still-life painting, from the mid-16th to the early 18th century, at the Ryksmuseum in Amsterdam: and the opening of a new museum of contemporary annexe to the Scottish art, the Serralves Founda-

tion, in Oporto. Then come summer and autumn. The Tate's "Abracadahra" in July seems likely to be an intriguing, perhaps contentions testing of the "New Spirit" in the international art of the 1990s. Edinburgh will have Joseph Benys's "Multiples" at the Scottish National Gallery of Modern Art; and "The Tiger and the Thistle", concerning the Scots in India in the time of Tipu Sultan, at the National Gallery of Scotland, both exhibitions continuing through the Edinburgh Festival in August.

September brings the Van Dyck to London, and with it a related exhibition at the British Museum, "The Light of Nature", of the landscape drawings of Van Dyck and his contemporaries. There are also to be two more Biennales, one in Istanbul and a new one at Liverpool that will incorporate the longrunning John Moores Liver-

pool Open Exhibition. In London in October we shall have Joseph Beuys at the Barbican and Lucio Fontana at the Hayward; and, at the Tate in November, "The Art of Bloomsbury", with Roger Fry, Vanessa Bell, Duncan Grant and all seen in the context of early-20thcentury modernism. A pendant show at the Courtsuld looks at Roger Fry especially in his relation to modernist criticism. And December brings, well, December, and as I said at the start, watch this space.



Showing soon at London's Barblean: Pleasan and Photography

Roy Moore

All S. Man Ritchie

Salerooms

## Annus difficultus

Antony Thorncroft surveys the impact of economic conditions

he most important events in the art world often happen outside the saleoom. Undoubtedly most excitement is generated at auction, especially when, as happened on November 19. Van Gogh's last self-portrait, a flattering image painted as a birthday present for his mother, sold for \$71.5m York, the third highest price ever paid for a work of art and easily the year's highest. But in the longer term the acquisition of Christie's by the French department store

tycoon Francois Pinault will bave much more impact on the competition between the auction houses, especially with Paris poised to become a major art centre now that the EU is battering down French protectionism. In the same way it was a y decision by Brussels to dou-ble, to 5 per cent, the VAT to

be paid on works of art imported from non-EU nations which will have the greatest impact on the British antiques trade this year, or rather that important sector that makes Landon the global entrepot, importing goods that are then sold on to foreign clients. But beyond takeovers and

taxes, London's, and the Stuart Whittington of Nor-UK's, antiques trade basiman Adams reported a good cally depends on the state of year, thanks mainly to cally depends on the state of the economy. Most p: ple buy works of art when they feel prosperous: they are. after all, luxuries rather than necessities. With financial confidence evaporating in many parts of the world it is hardly surprising that the slow but steady rise in prices for art since the last recession of 1990 should falter in 1998. The new year starts in ncertainty. The mega-rich, the score

or so enthusiastic collectors who can afford to pay \$5m or more for a work of art without missing a heart beat, are still prepared to buy the steadily shrinking number of masterworks that venture on to the market each year. But lower down, among potential buyers of routine antiques, there is more caution. The old shibboleth - that the very best objects in the finest condition, with a good centre for 19th. 20th century provenance and fresh on the and contemporary art, the market, will sell as well as ever - holds: anything less than special will struggle.

In theory most British antique dealers had a good time last year - or at least in the early months. Members I the British Antique Dealrs Association (BADA) reported a sales growth of 50 per cent while the dealers who belong to London and Provincial Art Dealers Association (LAPADA) reported a Il per cent rise. But by midyear trading conditions were released later this month. noticeably tougher, and deal-



works.

ers are less optimistic about 1999. Picture dealers, who have only recently enjoyed stronger demand, saw trading conditions slacken, and even furniture dealers, who largely escaped the worst of the recession, noticed a dip. American buying, but the major autumn auctions at Sotheby's and Christie's offered few choice items, and buying interest was patchy.

What makes dealers particularly depressed about 1999 is the planned doubling of VAT. Overseas buyers accounted for well over balf of BADA dealers' sales in 1997-98, and for 40 per cent of LAPADA members' sales. Any restrictions, in terms of excessive paperwork as well as extra tax, on the free flow of antiques will badly damage the London market and force more goods to New York and Switzerland.

Already the leading auction houses, in particular Sotheby's and Christie's, with offices around the world, are directing goods to New York, which has long overtaken London as the centre for 19th. 20th century sectors which account for the majority of all sales, in its autumn auctions in New York Christie's brought in \$276m and Sotheby's \$212m. In contrast, Christie's in London in December did well selling works from the

The last few weeks of 1998

were quite encouraging for London. The biggest surprise was the demand for works by Young British Artists. The main collector in this field, Charles Saatchi, sold 130 works through Christie's to raise money for art school charities. It was hoped to bring in 21m but in the event £1.6m was realised. Damien Hirst, whose prices look soft, sold one of his sculptures of cow organs for £139,000. Many other young artists enjoyed their first

Otheby's great year-end achievement was sec-uring, in quick succession, £914,500 for a portrait by Lucian Freud of fellow artist Frank Auerbach and then \$2.8m for one of Freud's the knowledge and the congiant nudes. It does seem that contemporary art is coming to the aid of the auction rooms, and the big dealers. Apart from rising prices it also has the inestimable attraction of being in fresh and growing supply: over time the best old works are

usually lost to the market. In 1999 the trends in the art market over recent years will continue and intensify. Sotheby's and Christie's will extend their influence at the at the Royal College of Art expense of the dealers, and attempt to become the biggest art retailers as well as the leading wholesalers. In New York, now the centre of same period, but totalled their worlds, they are both contemporary and modern just £38.2m, with Sotheby's building large new head- art world, with growing trailing. Over the year the quarters, Christie's taking a international appeal. For all two auction houses com- 30-year lease on part of the the machinations behind the peted furiously, and there Rockefeller Centre, and scenes, the heart of the art will be very little in it when Sotheby's adding six new and antiques business still their 1998 turnovers are floors to its building in York remains the keen and com-Avenue.

but these will be fewer and more selective, containing better quality antiques when they can get them. For the other inevitable trend of 1999 will be a growing shortage of fine quality works of art. For the tor salerooms, the challenge of increasing turnover in the US each year is largely dependent on the death of at auction were begining to rich widows who inherited masterpieces acquired ear lier in the century when they were more abundant. In the UK it is hardly surprisexposure to an auction, dou-bling the retail value of their exporting to the US and Europe, much of the best English 18th century furni-

ture should now be abroad. But the dealers are fight ing back. They may still cluster together at fairs, and trade increasingly among themselves, but they have tacts, and can spot auction house mis-cataloguing and bargains at fairs. January, with the London auction houses mainly quiet, is their month, and they will be expecting to do well at the new watercolours and drawings fair at the Park Lane Hotel, starting on January 28, and the first The Art on Paper Fair, covering prints, Old Master drawings and watercolours on paper, due

Then there is ART 99 at the Business Design Centre in Islington, which has become a major event in the They are aiming for one- and caring dealer.

on February 18.



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The London stage

# Return of repertory will test the stars

Rarely shown Russian classics and some brand new plays will spice the West End programmes, writes Alastair Macaulay

good old system, whereby actors are hired to take parts in more productions than one at a time, will make another return to the heart of British theatrical life in 1999, when Trevor Nunn lamiches at the National Theatre a pair of new productions: Shakespeare's Troilus and Cressida (press night March 15) and Leonard Bernstein's musical Candide (press night April 13), both co-directed by Trevor Nunn and John Caird and both featuring the

At the Royal Shakespeare Company a large number of actors will, as usual there, be performing more plays than one in forth-coming repertory. Alan Bates, last seen in Shakespeare almost 10 years ago when playing Bene-dick in a West End Much Ado, is the most eminent of these: at Stratford-upon-Avon in the spring, he plays Shakespeare's Antony to the Cleopatra of Frances de la Tour, as directed by Stephen Pimlott, and Shake speare's Timon of Athens, directed by Gregory Doran. (The return of Timon to the main stage of the Royal Shakesnears Theatre, for the first time since the 1960s, is an important reply to recent criticism that the RSC only offered Shakespeare's bestknown and most audience-friendly plays as its big-stage pro-

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Other RSC actors will be doubling in such productions as a new stage adaptation of Ted Hughes's Tales from Ovid, as directed by Tim Supple (Swan Theatre, March), and Adrian Noble's new staging of T. S. Eliot's The Family Rea

The National Theatre's staging of Trollus and Cressida, coming only a few months after the Royal Shakespeare Company's recent production, indicates a new sort of rivalry between the RSC (which Nunn used to direct) and the National (in which Nunn is now in his second season) over central Shakespeare repertoire. The RSC's forthcoming Antony and Cleopatra may well be read as some kind of retaliation, the more so since the National Theatre's recent production was among the most vilified theatrical events of 1998. (Compare and contrast Helen Mirren and Frances de la Tour; compare and contrast Alan Rickman and Alan

Meanwhile, the RSC brings its recent Richard III (starring Robert Lindsay) to the West End, opening at the Savoy Theatre on

1200th anniversary

of an event that

changed the spiritual and political landscape of Europe. In 799 Charlemagne, having pacified nearly all the territories held

by the Saxons, received Pope Leo III in his magnificent palace in Paderborn in Westphalia and, in three months

of tough negotiations, prepered an alliance that culmi-

nated in the crowning of the Frankish emperor in Rome a

exhibitions across Europe:

inaugurating the festivities

s ~799: Art and Culture of

the Carolingian Period"

(July 23-November 1) staged

at the Paderborn city gal-

lery, the reconstructed 11th

century Imperial Palace and

of ivories, manuscript illumi-

cophagus from the Aachen

Grimfridus chalice from

Dumbarton Oaks and the

the Vatican Library, Lon-

Museum and the Museo Sacro in Alba Iulia in

Romania. Accompanying the

exhibition is a two-volume,

sion and an unerring eye for

a great work of art, and the

hunter's instinct in tracking

it down. Previously he had

transformed the medieval

1,000-page catalogue.

the Diocesan Museum.



rd to the Barbicen: a scene from Richard Nelson's Goodnight Childr

this March. Rufus Sewell, an actor with virtually no Shakespearian experience, plays Macbeth; Sally Dexter, who put in very distinguished work with the RSC earlier in the 1990s. plays his wife; John Crowley. who has staged several plays (mainly non-Shakespearian) for the RSC and National Theatre,

Another important 1999 Shakeout of London: Jude Kelly's staging of The Tempesi (opening in February), with Ian McKellen as Prospero, the final production of the three-play six-month repertory system led by this ster actor. Gregory Doran directs a new RSC production of The Winter's Tale

January 21. And producer in January, featuring many of from Trevor Nunn's first season tion with Neil Bartlett and the Thelma Holt dares to mount a the same actors as have been new Macbeth in the West End appearing in Noble's The Lion, the Witch, and the Wardrobe.

Only a few new other productions for the West End are definitely scheduled at this time. sa Miai, a musical based on the sones of Abba, with music and lyrics by Benny Anderson and Blorn Ulvasus, opens at the Prince Edward Theaire in April. Hal Prince directs a new production of Strindberg's Miss Julie in the autumn: it may be presumed speare production will be seen that a star is due to play the title

Ewan McGregor's performance in Little Malcolm and his Struggle against the Runuchs (currently at the Hampstead Theetre) will be seen at the Comedy Theatre from January. Other West End productions will include two transfers

at the National Theatre: his own Lyric Theatre, Hammersmith, production of the Rodgers-Hammerstein musical Oklahomal

uary) and Michael Blakesmore's Place in Stratford-upon-Avon in It remains to be seen whether its stature as the UK's foremost

tre, February).
Although the RSC will con-

for only part of the year, it will don theatres (witness Richard III

the National Theatre will maintain

will involve launching Bartiett's

new version of the Marivaux clas-

home for successful new drama staging of the new Michael Frayn . March and bringing it into the play Copenhagen (Ouchess Thea-Hammersmith Lyric later in the

The RSC also renews its collabtinue to use the Barbican Centre oration with the Young Vic, where its 1998 Stratford producbe colonising several other Lon- tions of Ben Jonson's Bartholoat the Savoy.) A new collabora- new play Taik of the City will run

in February and March.

RSC productions arriving from Stratford at the two Barbican theatres in 1999 include Adrian Noble's production of The Tempest and The Lion, the Witch and the Wordrobe; Michael Boyd's of Measure for Measure; John Crowley's triptych of Irish plays. Shadows (Synge and Yeats); James Macdonald's production of the Bernard-Marie Koltes play Roberto Zucco; and Ian Brown's of the new Richard Nelson play Goodnight Children Everywhere (incest between recently sundered siblings reunited after the scond world war). The RSC has given the premières of numerous plays by Nelson over the years; this production will be the end of their association.

The Almeida Theatre, which has done so much to inject new

excitement and glamour into London theatre in recent years, has several new productions under preparation. Perhaps the most prestigious of these is Jonathan Kent's staging of David Hare's play Plenty, starring Cate Blanchett and opening on April

Maxim Gorky's exciting but eldom seen Vassa will continue the Almeida season at the Albery Theatre (opening on January 20): Howard Davies directs a cast led by Sheila Hancock, and including Anne-Marie Duff, Ron Cook Debra Gillett. Aisling O'Sullivan and Adrian Scarborough. A perhaps more promising assembly of actors will perform Peter Gill's new play Certain Young Men at the Almeida (opening on January 27): Danny Dyer, John Light, Jeremy Northam, Peter Sullivan, Andrew Woodall.

Of the several new plays so far definitely scheduled, perhaps the most newsworthy will be Hanif Kureishi's Sleep with Me. Kureishi is not best known as a theatre artist; this production opens at the National Theatre in its Cottesloe auditorium on April 22, as directed by Anthony Page. Will the National maintain its stature as our foremost home for successful new drama? Another première will be The Riot, a new play by Nick Darke opening at the Cottesioe Theatre in Febra

year for Russian plays by authors other than the inevitable Chekhov. On January 28, the National Theatre presents Ostrovsky's The Forest (soon after the Almeida's production of Ostrovsky's The Storm was performed at the Almeida), opening at the Lyttelton Theatre in a version by none other than Alan Ayckbourn. Anthony Page directs; Michael Feast and Frances de la Tour

The Almeida Vassa at the Albery is one of two announced Gorky productions; the other is Summerfolk, due at the National later in the spring.

London theatre usually contains a high quota of productions of seldom seen plays that help to flesh out our understanding of world theatre and its history Perhaps the most intriguing these for 1999 will open at the Riverside Studios in January. You may well not have heard of The Deceived, written in 1532 by the Intronati of Siena. But you probably have heard of the play that was based on it some decades later. Twelfth Night.



Decorative arts

## The emperor and the maharaja

Susan Moore previews a spate of exhibitions that bring to life some great figures of the past

The next two years will see a series of Charlemagne of the world's great collections of medieval art - is

On show are objects from antiquity to the 16th century, embracing the likes of Bronze Age jewellery, Byzantine silver and enamels, filigree and cloisonné Anglo-Saxon brooches and Highlights among a feast Spanish romanesque manuscript illumination, as well nation and goldsmiths' work as striking acquamanilia, include Charlemagne's sarsculpture, tapestries and stained glass, thematically arranged and placed in concathedral treasury, the text. Look out for the 14thcentury English ivory brown fabulous Lorsch Gospels, reunited from parts held in Madonna from the John Hunt collection in Dublin, and the exquisite boxwood don's Victoria & Albert statuette of the Virgin and Child attributed to Nikolaus Gerhaert van Leiden, one of the finest and most influential sculptors of the mid- to late-15th century. It has a The Metropolitan Museum drama and monumentality of Art, meanwhile, is host to which belies its mere 13 in height (March 9-mid July). nearly 300 masterpleces of

medieval art drawn from its ore medieval treamuch loved sister instituore medieval user sures, this time from Macedonia, tion, The Cloisters, that eccentric assemblage of French cloisters and pan-Eushow in Paris at the Musée ropean works of art perched Nationale du Moyen-Age high above the Hudson on (February 9-May 3), and the outskirts of New York. there is still time to catch The show, "Mirror of the "Himmelslicht: European Medieval World", is a vale-Glass Painting 1248-1349", dictory to William D. Wixom, perhaps our only chance to retiring chairman of the see around 100 masterpieces Met's medieval art departof gothic stained glass at ment and of The Cloisters. close range (Josef Haubrich As a selection of acquisi-Kunsthalle, Cologne, until March 7). Those who missed tions made over the last two decades, the show could not last year's show of medieval be more fitting. For Wixom, and renaissance painting. all too rarely among goldsmiths' work, textiles museum curators, has a pasand manuscript illumination

Robe and Kyoto. As well as a cluster of

medieval shows, the year also offers various takes on the baroque. To note three: \*Amhiente Barocco: Life and the Arts in the Baroque Palaces of Rome" brings together a lush profusion of elaborately carved furniture, sculpture, clocks and candelabra, costume and textiles, silver and musical instruments, plus some paintings, drawings and prints (Bard Graduate Center for Studies in Decorative Arts, New York, March 11-June 13; the Nelson-Atkins Museum, Kansas City, July 25-October

Also making its way across the US is "Land of the Winged Horsemen: Art in Poland, 1572-1764", some 150 works of the fine and decorative arts drawn from more than 25 public collections in Poland. The show reflects Poland's clashes with the Infidel, claiming .Ottoman loot in the form of armour and textiles. Opening at the Walters Art Gallery, Balti-more, March 3-May 9, it travels on to Alabama, San Diego and Tulsa. (It is Charles I's spectacular armour, hand-engraved and covered in gold leaf, however, that is the centrepiece of "To Kill a King", at the Royal Armories, Leeds, January 30-April 18.)

The baroque aesthetic also made its way across the Atlantic: as witnessed in "The Arts of Early Pennsylvania 1680-1758". This show charts the evolution of colofrom the Treasury of St nial furniture, ceramics, tex-Francis of Assisi, joined by tiles, silver and metalwork additional loans from Euro- and painting. (Philadelphia pean and American collec- Museum of Art, October 10tions, at the Petit Palais in Jan 2, 2000).

holding; his record at the New York instead (March 16- sailles this time. The Trea-Met and The Cloisters - one June 27). It travels on to sures of the Sultan: Topkapi at Versailles" explores the relatively little-known period of the 17th and 18th centuries when the French and Ottoman courts were most curious about one another. The exhibition charts the nature of the imperial residence, its role as an intellectual and cultural centre, and how the sumptuousness and refinement of the lifestyle was combined with customs surprising to western sensibilities (May 7-August 15). "Arts of the Sikh King-

doms" at London's Victoria & Albert Museum is the first international exhibition devoted to the cultural heritage of the Sikhs. It was 1801 when Ranjit Singh was pro-claimed the first Sikh maharaja of the Punjab at Lahore. This show traces the eventful history of the maharaja and his successors and features paintings, textiles, weapons and some of the most spectacular iewels from the Sikh treasury. Made by and for Sikhs, Hindus, Muslims and even Europeans, they reflect the cosmopolitan and egalitarian atmosphere of the age (March 25-July 25).

A little-regarded art form

and an even less familiar culture are under examination in an exhibition of Burmese lacquer at the British Museum (September 24-December 12). Its base is the gift of some 270 examples of vessels, furniture, sculpture, manuscripts, even musical instruments and architecture - amassed by Ruth and Ralph Isaacs, supplemented by loans from the Royal Collection and viceregal collections. "Fabric of Enchantment", at The Textile Museum, Washington DC. takes a closer look at collection at Cleveland into Paris, may seek it out at the More of the Ottoman Javanese batik (February an internationally renowned Metropolitan Museum in court, at the Château de Ver- 4-April 25).



Whingers a

حكدًا من الاحلّ

diva, released her debut solo album this past fall, many observers were initially disappointed that her record's selections consisted not of the usual Kern-Porter-Gersh-

win standards but of songs

by a new generation of musi-

American theatre schedule

favourites will be particu-

larly visible. Michael John

LaChiusa, best known for

his deeply flawed version of

Schnitzler's La Ronde a few

years ago, will have two new

productions opening in New

The Wild Party, based on

poem by Joseph Moncure

March, will begin perfor-

tre in the spring, and Marie

Christine, a 19th-century set-

ting of the Medea story that

LaChiusa has written

expressly for McDonald, will

open at Lincoln Centre Thea-

tre in the autumn.

s at the Public Thea-

interior francisco de antique

Audra

American theatre's newest

VIII.

cal-theatre composers. musical Floyd Collins, but Frank Wildhorn. Wildhorn is headed for New York, two in January its acclaimed pro-McDonald's strategy, howthe piece closed before drawever, showed remarkable ing the audience it deserved. prescience: the composers In the coming months, she has been championing though, new productions of promise to be among the dominant forces on the regional theatres (such as the Goodman, in Chicago, for 1999. Two of McDonald's beginning April 23) are cer-

Other musical offerings promise less adventure and more razzle-dazzle. Fosse: A Celebration of Song and Dance is set to open at an effervescent flapper-era Broadway's Broadhurst on January 14. This revue devoted to the director/choreographer Bob Fosse follows the huge success of Cabaret and Chicago musicals staged by the late showman, and is being overseen by Fosse's widow, Gwen Ver-

don, and his protégé, Ann

seems likely.

Reinking. The other McDonald dar-Meanwhile, The Civil War. ling, Adam Guettel, astonbased on letters and diaries ished theatregoers a few seafrom the American 1860s, is the latest from composer

not known for his subtlety or sophistication, but no one who has observed the rabid fans outside the stage door the work at prominent of his two current Broadway shows, Jekyll and Hyde and the cleverly revamped Scarlet Pimpernel, should dismiss tain to widen the show's conthe prospects of the Abe Linsiderable cult reputation. coln-era saga, which opens Another New York run at Broadway's St James Theatre on April 22.

Broadway will not be quite

as awash with musical reviv-

als in the new year as it has been in recent seasons. Fans of Bernadette Peters, if not of innovative casting, will be happy to see her step into the hats and holsters of the Wild West tale Annie Get Your Gun which opens on March 4 at the Marquis; and lovers of the comic strip Peanuts will be buoyed to learn that a restaging of You're a Good Man, Charlie Brown, the 1967 musical based on the cartoon series, will bow at the Longacre on February

Of the play revivals

English kings named Henry and the US dramatist Eugene O'Neill. In the Roundabout Theatre's latewinter staging of The Lion in Winter, Laurence Fishburne plays Henry II and Stockard Channing Eleanor of Aquitaine; and in A Mon for All Seasons, due for a pre-Broadway national tour next autumn, Derek Jacobi will star as Sir Thomas More, lord chancellor to Henry

Late in the year, O'Neill's A Moon for the Misbegotten will mark the return of the radiant Cherry Jones to both Broadway and to classical roles. And in April, O'Neill's The Iceman Cometh, which originated at London's Almeida Theatre, looks likely to make Kevin Spacey's return to the New York stage equally triumphant. Observers were all but ready to award Spacey a Tony statuette, until Chicago's Goodman Theatre announced that

themes may be discerned: duction of Death of a Salesman, with Brian Dennehy. would move, ironically, into Broadway's Eugene O'Neill. Also clouding Spacey's

excellent prospects is the fact that New York audiences can be wary of English productions of American classics. They tend to be more receptive to new plays from London. Before the Tony deadline, May 1, Broadway will in that regard welcome: Closer, Patrick Marber's contemporary look at a young woman (to be played by Natasha Richardson) and her relationship with two men; The Weir, Conor McPberson's examination of a band of bachelors trading ghost stories in an Irish pub; and The Unexpected Man, about a novelist and his admirer, which is playwright Yasmina Reza's follow-up to her highly successful Art.

The London transfer which may be exciting the most interest, however, is David Hare's Amy's View, scheduled for Broadway sometime in April. The anticipation perhaps owes less to the promise of another new work from the prolific Hare (his Judos Kiss met a very mixed reception on Broadway last spring) and more to the thought of Dame Judi Dench - at last making her Broadway debut in the role of a stubbornly old-style actress.
Other luminaries will be

represented off-Broadway. too: Uma Thurman will star in Molière's Le Misanthrope at the Classic Stage Company, opening next month; and Harold Pinter, whose 1996 play Ashes to Ashes will bow at the Gramercy in mid-February, with Lindsay Duncan and David Strathairn.

Also on deck is Pinter's double-bill A Kind of Alaska and The Lover, which will be produced in May at the Mannattan Theatre Club. Neither that organisation nor its similarly reputable midtown counterpart. Playwrights Horizons, has had a rousing

critical hit lately, although that may change for the latter in '99, owing to a new comedy by one of New York's most beloved writers, Christopher Durang, His Betty's Summer Vacation, which focuses on a countrycottage roundelay, opens at Playwrights on March 14.

Another Playwrights veteran. A.R. Gurney, has shifted his allegiance to Lincoin Centre Theatre. Gur- has a significant segment of

ney's dissections of uppermiddle-class behaviour have lately lacked their characteristic drinks-party fizz but it may bode well that his new play, Far East, has a historical setting (Japan during the Korean War) and a young. dynamic cast, headed by Michael Hayden. Opening night is January 10.

No matter how vibrant a 1999 the American theatre

Broadway is really Broad-Stephen Sondheim musical afoot. While his new piece. Wise Guys, set in the 1920s and concerning two American brothers, will probably not have its New York première very soon, it looks almost certain that a production of it, perhaps in San Diego, will open before the end of the year.



The arts in the UK

# Whingers are silenced

The combined revolution of lottery funding and imaginative management is having a surprising effect, says Antony Thorncroft

enturies ago artists lottery money can now be Wight, but they are all still were mainly in the ing light and joy; doom. This is certainly true of the cultural industry, which has developed on the back of working artists in recent decades.

The fact is that there has never been more opera. music, dance, drama and art produced in the UK. One nevitable consequence of this cultural outpouring is that Government subsidy failed to rise in line with the output: the overall grant was frozen for much of the 1990s and some of the plethora of arts companies struggled to

Then came the lottery, pumping over £200m a year alone, with as much again revitalising museums and the heritage. Add in a new Government which wanted to broaden the appeal of the arts, and was prepared to pay to achieve such a transformation, and the stage should have been set for an end to the ingrained pessinism of the arts community. No chance. In December, there was general silence when culture secretary Chris Smith announced how he was going to spend the extra. £290m in subsidy he had obtained for the cultural institutions over the next

Days later the chairman of in short, the arts in the the Arts Council, Gerry Robinson, gave away £218.8m for an exciting adventure, even 1999-2000, 15 per cent more than in the current year. with above inflation increases promised for the

next two years. happy? Not on your life. It Undoubtedly the extra costs continued to complain that of running new buildings the lottery money invested into new theatres, opera there have been tricky times houses, art galleries, etc. for the new and refurbished with artistic events, or audi-borough, the Green Room in of whether an arts organisa- arts might be spreading ences, even though changes Manchester, and the Quay tion should be led by a great some light and joy around

used for revenue funding. The Jeremiahs say that the extra subsidy is too little, and comes too late, and anyway is not evenly spread.

But the days of the whinger may be numbered. In Gerry Robinson the arts has an unusual benefactor. He is an outsider who takes a business approach to the job and is reluctant to throw good money after bad. He is backing winners, in terms of companies and art forms, and already seems prepared dation and should open this

The year could be judged by what happens at the Royal Opera House, Covent Garden

freezing their grants. So far his revolutionary approach - more than halving the size of the Arts Council and its work force. and devolving most funding decisions to the regional arts boards - has been met with stunned acquiescence from the arts world. This will be the year in which his policies will prove life saving or impractical. It could also be the year when certain established art forms may find themselves suddenly less fashionable with the Arts Council than more populist, community based, ethnic minority interests.

For all the scare stories.

no lottery funded arts building that has opened has been forced to close through lack Was the arts community of revenue funding, or artistic, relevance? were under-appreciated and

The biggest venture to date, the new Sadler's Wells in London, has got off to a

good start, and the rebuilt Royal Exchange Theatre in Manchester has been important new cultural venues in Stoke, Malvern and Hereford. Another theatre which caused some anxiety, the Royal Court in London, has been rescued, thanks to 23m from the Jerwood Foun-

to risk the anger of numer- autumn. To date, lottery into the arts in England ous drama companies by funding has worked wonders, with a surprisingly small downside.

There is no reason to think that 1999 will produce a spate of genuine "arts in crisis" and "lottery white elephant" stories. The Arts Council is holding lottery money in reserve to help bail out worthy companies (such as the RSC) who have got themselves into difficulties. and although business sponsorship of the arts may not be quite as glamorous as in the past it still pumps £100m a year into the arts in the

There are also schemes in place to use lottery money to entice in new audiences, especially the young, with special ticket offers. If arts companies fall into debt in the future will it be because they are badly managed or because they are creating work which has no popular,

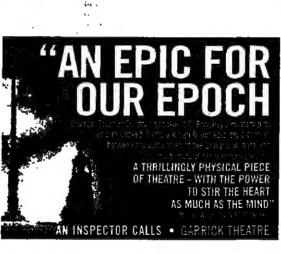
A flourishing arts scene needs more than money. The main challenge this year, as management competence of to the lottery act mean that arts centre on the Isle of creative force or by a skilled the land.

The UK's leading arts centre, on the South Bank, is currently wrestling with the problem as it seeks a new chief executive.

The Royal Opera House, the dual approach. Its administrative supremo, the American Michael Kaiser, has made an impressive start since arriving in November, keeping the ink on board and restoring to the schedule a few perfor-mances of Paul Bunyan from the cancelled Royal Opera programme, but the hunt is still on for his artis-

tic partner. In fact, the whole arts year could be judged by developments at the Royal Opera House. The rebuilding of this, the largest arts lottery project, costed at £214m, with £78m coming from the lottery, is on schedule, and the new Covent Garden should open in early December. If all goes well, and the inaugural production of Folnew artistic director is admired, then the arts generally will be regarded as a cause for national celebration rather than the object of derision and criticism that it is today, at least in the

Throw in the promise of free entry for all museums; the near completion of the architecturally adventurous Lowry Centre in Salford and the new Tate Gallery of Modern Art on Bankside; some progress towards removing Bank Centre; a continuation of adventurous programming at the Barbican; and the steady development of new cultural palaces in Brisever, will be raising the tol and at Gateshead, and you have an exciting year in would not help to fill them theatres at Cambridge, Scar- arts companies. The problem prospect. Once again the







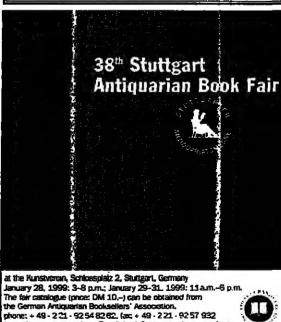
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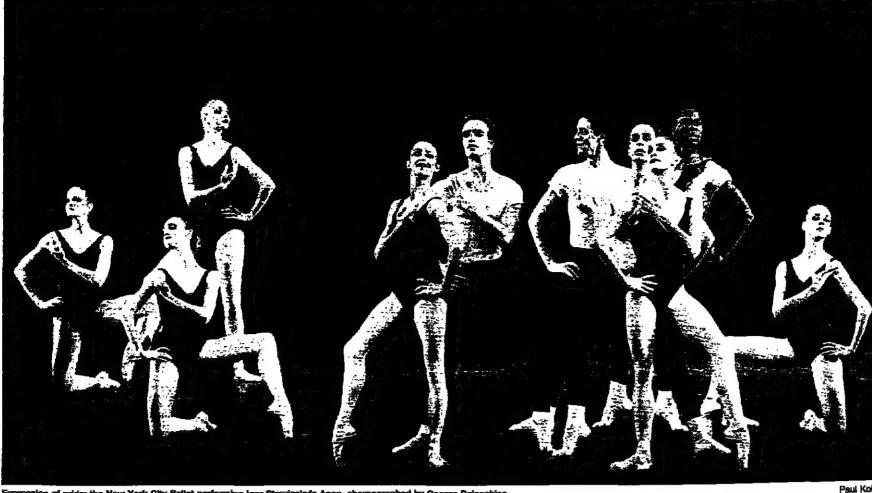
he big event of the

Writing about the early years (which I recall as one does the delights of first love) Kirstein observed: "Stability we had not and would not have for another 20 years. In England, with the nestimable advantage of Lord Keynes's patronage ... Marie Rambert and Ninette de Valois were beginning to enjoy the results of their Herculean labours," in the light of matters now, we may wonder at the comparative fortunes of the beleaguered and state under-funded Royal Ballet and the flourishing if pri-vately subventioned NYCB To NYCB, congratulations on its jubilee and vast grati-Other New York events

meriting attention are the late spring season by American Ballet Theatre at the Metropolitan Opera House from April 26 until mid-June. which will feature six full-length ballets and the company's acquisition of MacMillan's Anastasia (Viviana Durante will repeat her fine interpretation during the season), and a gala Don Quixote on the first night featuring three sets pf principals.

There is a proposed summer visit by the Kirov Ballet, and a season by the lifeenhancing Paul Taylor Company in early March at the City Center. The San Francisco Ballet, on home territory, presents no fewer than eight programmes between January and May, with a largely contemporary repertory that is well worth sam-

In Paris, the Opéra Ballet performs until July 15, at the Palais Garnier or the Bastille Opera House, Superlative



Expression of pride; the New York City Bellet performing Igor Stravinsky's Agon, choreographed by George Balanchine

# An all-gold celebration

elties (Angelin Preljocaj's Le William Forsythe has a new piece for the company as part of an all-Forsythe evening, also April).

In May, the company will pay a one-week visit to Japan with Béjart's Ninth uphony. In late June and July, Swan Lake and La Sylphide will play concurrently at the two theatres. Try to see Elisabeth Platel as the sylph - ineffable grace. For Béjart devotees, the itro brings his troupe to the Palais des Sports in Paris (February 4 to 21) with two "ballets for today".

in the French regions, plenty of activity; Lyon offers eight ballets in programmes devoted to new choreography: Nice will show Cranko's Onegin in May, and a new Carmina Burana by Yury Vamos at the Arènes de Cimiez in late dancing, interesting pro- June; in Bordeaux, where grammes which bring the the eminent Charles Jude is

and Robbins (in March), nov- June, and there are three evenings by young choreographers in May. Toulouse shows three programmes during the spring; the Ballet de Nancy mounts a Diaghiley homage in mid-April. and a new work by Roland Petit (June 24-29).

For the most adventurous modern dance, the Théâtre de la Ville in Paris has innovative programmes, and the admirable Maison de la Danse in Lyon plays host to 30 visitors, from ballet troupes to the wildest adventures among French experimentalists. In Monte Carlo, the principality's Ballet will show a new Cinderella by Jean-Christophe Maillot in April, after which the troupe leaves for an extended tour of North America.

There are productions of old favourites. For the Vienna State Ballet, Vladimir Malakhov stages La Bayadère in February, and Makarova's version of the to mount a full-length Magic same piece is in repertory at Flute by Wayne Eagling and masterpieces by Balanchine Coppelia will be seen in time. Milan brings back provides the designs) on Feb. versions of Petrushka, Fire- entrails of a chicken.

Alexandre Benois designs in May, presents Carla Fracci

New works are on view in

Belgium: the admirable

Royal Ballet of Flanders

shows creations by Christo-

pher d'Amboise and Jean-

Christophe Maillot in Febru-

ary, while in Brussels the

Rosas Dance Company dis-

plays a new piece by Anne

Teresa de Keersmaeker at

the Luna Theatre in May,

later to be seen at the

Théâtre de la Ville in Paris.

The Dutch National Ballet is

in April.

Giselle in the beautiful old ruary 10 at the Muziekthester in Amsterdam. Holland's other troupe - which is the in evenings devoted to Ida three Nederland Dans The-Rubinstein (in the Teatro ater companies - will tour Studio in April), and hosts widely east and west and to

Ballet of Béjart's Nutcracker its young NDT 2 group, will water with an important

temps (which should set the original choreographers -Fokine and Nijinsky - spinning in their graves).

Meanwhile, our Royal Balperformances by the Tokyo mark the 20th anniversary of let is keeping its head above

Clement Crisp looks forward eagerly to the special season with which the New York City Ballet will celebrate its 50th anniversary

> produce new dances from tour to the Far East in April and May, visiting Japan and The Royal Danish Ballet China, and preceding this pays a week's visit to the with a small split tour dur-Palais Garnier (January ing early March to eight 21-29) with the adorable Napregional theatres with Dance Bites - creations by Michael oli and a triple bill, and will Corder, Cathy Marston, then, on its home ground, Mark Baldwin and William present four new ballets. which emerged from its 1998 Tuckett. Scheduled London Choreographic Competition. appearances are for three weeks in July at Sadler's Programming also brings short works by Lifar, Mats Wells, with new work by Ek, Béjart, Stanton Welch William Tuckett, and the and Nacho Duato, the return happy return of Ashton's of Nureyev's sparky Dan Ondine. What happens there-Quirote, and a visit by the after can probably best be Tokyo Ballet with Bejart's divined by inspecting the

Birmingham Royal Ballet knows exactly what it is going to do until next December. The company visits Sadler's Wells in February with David Bintley's Edward II and a triple bill including Ninette de Valois's joyous The Prospect Before Us. Twyla Tharp's In the Upper Room has been acquired, as has William Forsythe's Limb's Theorem. and the regular spring season in Birmingham will feature Coppelia and the comcollaborative pany's production The Four Seasons. This will also be seen during BRB's week at the

In the autumn, a new Giselle will be produced by Bintley and Galina Samsova, and Bintley also stages a new Shakespeare Suite (Duke Ellington score) and acquires Balanchine's Slaughter on Tenth Avenue. The company will tour Britain where, he it noted, Bintley's policies and his a point, Lord Chesterfield.

Coliseum in July, in tandem

with Bintley's Carmina Bur-

image have won new audiences. Sunderland, once a notorious graveyard for ballet, has been won over: cheap prices, skilled market ing fill the theatre for BRB. English National Ballet also knows how to reach out to audiences. The company has two fixed points in its year: Christmas at the Coliseum and a summer blockhuster at the Royal Albert Hall, (This season it will be a revival of Swan Lake in the round). Spring will bring a split tour, with an approachable repertory on view in 12 regional theatres, and there follows a visit to Australia in May for 12 performances of Swan Lake in Sydney, Melbourne and Brisbane.

company's bright public

Scottish Ballet makes a Spring tour to Glasgow, Aberdeeen, Edinburgh with its fine La Sylphide and a triple bill which contains two as yet unannounced novelties. Northern Ballet Theatre will stage a new Carmen, choreography by Didi Veldman, in Leeds on February 22. Rambert Dance Company tours Britain and visits Austria in February and Italy in April. and has its Sadler's Wells season in May, when new works will include the bravura Golden Section by Twyla Tharp.

Among visitors to Sadler's Wells, Irek Mukhamedov appears in a new Don Juan by Kim Brandstrup for Arc Dance (opening at the Wells on March 1); Pina Bausch brings her Wuppertal Dance Theatre to the Wells at the end of January with Viktor. while Pacific Northwest Ballet (much admired at the Edinburgh Festival last summer) will bring two programmes during the week of February 22, including a happy staging of Balanchine's Midsummer Night's Dream, and the Norwegian National Ballet will appear at the Wells in November with Michael Corder's Romeo and Juliet.

In St. Petersburg, the Kirov Ballet is preparing a revision - in effect, a cleaning of the text - of Sleeping Beauty in early spring, and the company will visit Munich in March with three performances of Swan Lake and a Fokine evening during the Bavarian State Ballet's annual Festival Week. The Bavarian State Ballet will, as part of an interesting repertory, stage a new Emma B by Jean Grand-Maitre at the start of the bal-

let week on March 24. The new year, as you may judge, promises to be busy. Lord Chesterfield, in one of those letters, observed that "dancing is a very trifling

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Cinema

### Bugs and bard strut their stuff

Insects posing as film stars means the millennium must be treated seriously, says Nigel Andrews

taking over the world: it is a brated by millipedes. But Disney's digital animation

following Antz into the minds, hearts and pockets of filmgoers. And, since any living organism can now be reproduced on film, voiced famous actors and vivifled by computer graphics twith an increasing input of famous-actor idiosyncrasy), how long before Tom Hanks lends his digitally-scanned terium, or Jim Carrey to a wacky amino-acid?

Millennia are serious year in which normal plots tearful valedictory fondness us once more (at least), or in the case of Brad Pitt and Tom Cruise thrice more per movie brat. Pitt's 1999 repertoire ranges from Death (in the fantasy comedy Meet Joe while Cruise's trio includes sensational other half Nicole ael Apted of TV's Seven Up docu-series. And Pierce Bros-

characters of the nium, that humanity takes a most successful film last lingering look back in America as I before jumping into the million light years from write are insects. We knew unknown. Which explains that these creatures were why we are seeing Psycho again, in the bizarre-soundscientific fact that the next ing shot-for-shot remake by millennium will be cele- Gus Good Will Hunting Van Sant; why the sequel/prequel industry is busy with Austin Powers 2, Mission: Impossible feature A Bug's Life, opening 2, Nutty Professor 2 and a in the new year in the UK, is film we must probably call Stor Wors I rather than Stor Wars IV, since its action precedes not just the Luke Skywalker trilogy we know but two more prequels in the planning.

appily for older mov-

iemanes, the 1999 nostalgia boom offers more evocative, less essence to the role of a bac- grimly derivative plunderings. The rhapsodically previewed Shakespeare In Love exhumes our beloved Bard things: 1999 may be the last in a Stoppard-scripted romance starring Joseph with normal humans stalk Fiennes and Gwyneth Palthe screen. So with almost trow, the American actress tearful valedictory fondness who seems to be playing all we record that the old our British heroines (except favourites will be back with for Elizabeth I, played by an Australian). Anthony Minghella's The Tolented Mr Ripley resurrects Patricia Highsmith's great psychopath, who stalked through two previous Euro-gems. Black) to General Custer, Clement's Purple Noon and Wenders' The American the long-awaited Kubrick Friend. And the all-star war erotic thriller Eyes Wide film The Thin Red Line re-Shut, co-starring his newly animates the directing Kidman. Another Bond film who vanished from our will arrive, directed by Mich- screens after Badiands and Days Of Heaven. In addition, Mighty Joe Young revisits a

Hugh Grant into a Richard Curtis script said to be not a Four Weddings And A

Can British cinema revive?

The question would have seemed redundant in 1997. when it rode so high that it was honoured with an entire tribute season at the Venice Film Festival. In 1998. though, it has threatened to collapse in the saddle. At press shows, a regular cue for silent panic has been to see the words "European Script Fund", "Arts Council" or "National Lottery" in the credits. They mean that an Anglo-inspired Euro-pudding is about to splatter the auteurist British brainstorm, made at once bankable and artistically bankrupt by the presence of an American star plus mid-Atlantic plot compromises, will fret its hour upon the screen before vanishing into TV.

At least the cultural trade pattern is not all one way. We export talent as well as horrowing it. In 1999 Kenneth Branagh will be seen twice in major American films, bravely, nay, recklessly expanding his range. He plays a Woody Allen variant in the main role of the master's new comedy Celebrity, then a steam-driven android bent on assassinating the US President in The Wild Wild West from direccareer of Terrence Malick, tor Barry (Men In Black) Sonnenfeld. And although England's Terence Rattigan might turn in his grave at America's action-fantasy nan himself, Mel Gibson and lovable monster classic first hijacking of his title The Samuel L. Jackson will each made in the shadow of King Deep Blue Sea - in the Hollystar in major new Hollywood Kong. And Notting Hill wood version genetically



Imitating life: Gwyneth Paltrow and Joseph Fiennes in Shakespeare in Love

Ewan McGregor may enter the "headless horseman" after playing the young Obi eous Kinky, the promisingly Wan Kenobi in the Star Wars prequel.

No preview of a year can be complete without listing oddities outside the mainstream. Will Roman Polanski restore his reputation with eral of that movie's players. the demonic thriller The Ninth Gate, starring Johnny Depp? Will the writer of of the world. But then dis-Seven, Andrew Kevin tributors are forgetting it Walker, confirm his macabre too. We badly need more talent with two new scripts: arthouses in the west, while Smm, in which Nicolas Cage saving the precious few that prowis the world of snuff are left. Humanity cannot Philistines, xenophobes and

buzzed new outing for Kate Winslet? And whatever will Magnolia be like? The new film from Paul Thomas Anderson of the porn opera Boogie Nights features sev-

plus guest star Tom Cruise. We almost forgot the rest essays the most serious modified cyber-sharks attack film; and Sleepy Hollow, with live on Hollywood alone, nor cine-illiterate distributors hrillers. essays the most serious anomal cyst. In the serious and the control of all it puts samuel Jackson – Scotland's director Tim Burton tackling even on Pinewood. So we doing so.

the top-dollar stratosphere fable? What of Britain's Hid-eign films the west is sure of must all flock to the few forseeing. These include Denmark's icily funny family reunion comedy Festen, Italy's Aprile, a spry autobiographical charmer from Nanni Moretti of Dear Diary. and Brazil's Central Station (winner of Berlin's Goldon Bear), an orphan-meets-oldie tale with acerbity as well as

> It may not be possible to prevent insects from taking over our movie screens. But

sentiment

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#### GLOBAL ARTS '99

Concerts and opera

# Scent of a vintage year

With no preponderant composer anniversaries due, there is a sense of open-minded stocktaking before the century ends, says Andrew Clark

he year ahead looks Opera and Elektru at the Met. reassuringly undoctrinaire. There are no dominant composer-anniversaries, but there is a sense of taking stock before the new millennium. At a cursory glance, 1999 has the makings of a fine

We cannot ignore the 50th anniversary of Richard Strauss's death tof which more on Page VIII), any more than we can overlook the centenaries of Francis Poulenc and Kurt Weill. Most UK pera companies will stage one or other of the Strauss's stage works - but none so ambitious as Garsington Opera, which is

mounting the UK première of Die Liche der Dange in June. The two the list are two Magnus Lindberg German cities most closely assoclated with Strauss are taking an oddly tepid view of the anniversary. Munich has little more than a pair of festive concerts under Lorin Maazel. In Dresden, Colin Davis conducts a new production of Ariadne auf Naros - one of the few Strauss operas with no local resonance. In New York, there are revivals of Intermezzo at City

New orchestral work by John

Maxwell Davies' A Reel of Seven

Fishermen (BBC Phil/Davies,

■ Thomas Ades festival in

■ Magnus Lindberg's new

orchestral work (Cleveland)

■ Peter Stein stages Peter

National Opera, February 15)

■ Simon Rattle conducts new

production of Les Boréades at

Salzburg (Whit festival, May 21)

Grimes in Cardiff (Welsh

Bryn Terfel sings Don

staged production (Paris

Bastille, May 31)

Giovanni for first time in a

First modern staging of

Helsinki (March 5-10)

Adams (LA Phil/Salonen,

European premiere of

Pebruary 19)

February 20)

and Lance Man Ritchie

Poulenc's Carmelites will be staged in London, Santa Fe, cycle for lan Bostridge (Cologne Paris, Strasbourg and Savonlinna. But apart from a handful of concerts in London and Paris, big event at the Proms.

the Poulenc anniversary seems little more than a useful marketing tool for record companies with a strong back-catalogue. And Weill? In June, Chemnitz will mount the first complete staging of The Eternal Road since the 1937 New York première; there's also a Weill celebration at London's South Bank Centre in the autumn, featuring Ute Lemper, HK Gruber and the London Sinfonietta. New music flourishes. Top of

premières - for the Cleveland Orchestra (April 1) and for cellist Anssi Karttunen and the Orchestre de Paris (May 6). There are new orchestral works by Judith Weir for the Boston Symphony (January 13), by John Adams for the Los Angeles Philharmonic (February 19), and by Sofia Gubaidulina for the NHK Symphony and New York Phil-

Dohnányi, April 1) and cello.

Salonen, May 6 in Paris)

Two concertos by Sofia

Gubaidulina premiered in

Louis Andriessen's new

Weill's The Eternal Road

■ World premiere of What

■ World premiere of John

Harbison's The Great Gatsby

(Metropolitan Opera, December

Next?, Elliott Carter's first opera

(Berlin Staatsoper, September

(Chemnitz, June 13)

concerto (Karttunen/LA Phili:

Tokyo (April 17) and New York

orchestral trilogy (BBC Proms,

Music 1999

(April 29)

August)

**Opera** 1999

harmonic (both in April). Hans with Chung (mid-February), Maa-Werner Henze is writing a song and London in November), and the BBC will mark Louis Andriessen's 60th birthday with a

Of the countless Peter Maxwell Davies premières scheduled for coming months, the most significant seems to be the first European performance of A Reel of Seven Fishermen in Manchester (February 20): this is not one of his lighter pieces, but a substantial orchestral score. John Woolrich has written a Concerto for Orchestra for the London Mozart Royal Philharmonic pairs Players' 50th anniversary (Febru-Brahms and Berg at the Barbi-can, and plunges into the second ary 11), and Mark-Antony Turnage's Silent Cities will receive its European première in July at the Cheltenham festival, where half of its Mahler cycle at the Albert Hall. he is featured composer. Other composer-celebrations include an with two UK exclusives: a con-Alexander Goehr festival in Cambridge (January 20-March 13),

Adès has written (March 5-10). In London, the South Bank's "Endless Parade" in April is an ambitious retrospective of British classical music from the past 50 ars. Drawing on the services of the BBC orchestras, it includes concert performances of Death in Venice and King Priam, and new commissions from Richard Causton and David Bedford. The South Bank is also mounting a big Rakhmaninov series in May, with artists of the calibre of Ashkenazy. Later in the year, to mark the 150th anniversary of Chopin's death, there will be six

and performances in Helsinki of

just about everything Thomas

After its year-long exertions with "inventing America", the Barbican takes a more piecemeal approach to 1999. The musical plums include a Cuban festival in May, a St Petersburg invasion in June led by Gergiev and Temirkanov, and the return of Jessye Norman in late July.

recitals featuring Uchida, Pollini

and others.

The London Symphony Orchestra takes its Elgar series to New York this month, before returning to the Barbican for concerts

zel (late February) and Haltink (June), it also accompanies José Cura in concert performances of Otello in May. The Philharmonia continues its Mahler/Vienna series in late February and March with blockbuster concerts by Dohnányi and Boulez, followed by German Romantics with Thielemann in April, Berlioz with Gergiev in May and an Elgar series starring Bryn Terfel and Anne Sofie von Otter in June. The London Philharmonic welcomes back Haitink later this month and gives young Daniel Harding a platform in April. The

Birmingham upstages London cert Rinaldo starring Cecilia Bartoli (January 13) and a Sibelius weekend with the Lahti Symphony Orchestra under Osmo Vänskä (February 27-28). The most interesting events at the City of Birmingham Symphony Orchestra continue to revolve around Simon Rattle: "Towards the Millennium" reaches the 1980s, with Nigel Kennedy playing Gubaidulina's Offerto-

Maw's Odyssey around Europe. The Bournemouth Symphony Orchestra also revisits old times when it welcomes back former chief conductors Paavo Berglund Evgeny Kissin and Vladimir and Andrew Litton in March and April. In Glasgow, the Royal Scottish National Orchestra's "Discovery" series includes the first performance north of the border of Tippett's The Rose Lake and the European première of Korndorf's Fourth Symphony.

rium and Rattle taking Nicholas

The most significant operatic premières all take place in the second half of the year: Michael Torke's first opera as part of a triple-bill at Glimmerglass (July 1), Berio's latest "azione teatrale" at Salzburg (July 24), Elliott Carter's What Next? in Berlin (September 14). William Bolcom's new Arthur Miller opera A View from the Bridge in Chicago (Octo-



ds the Millennium; Nigel Kennedy is to play Gubaidulina's Offertorium

ber 9) and John Harbison's The Great Gatsby for the Metropolitan Opera (December 20).

Even without the Royal Opera, there are rich pickings in the UK opera diary, starting with Peter Stein's new staging of Peter Grimes for Welsh National Opera (February 15). Joan Rodgers gines the Marschallin in Scottish Opera's Rosenkavaller (February 6), and the Glasgow season also includes the UK stage première of Delius's The Magic Fountain and an Antony McDonald staging of Aida. After touring Phyllida Lloyd's production of Carmen, Opera North has a new Arabella (May 22) and a revival of Gloriana starring Josephine Bar-

Until December, ENO has Lon- tors are the flavour of the don largely to itself highlights are a new Parsiful (February 13), a revival of Salome (April 1) and the return of Mark Elder and David Pountney with Der Freischutz in the autumn. Glyndebourne opens in May with a revival of La clemenza di Tito and a new production of Pelleas

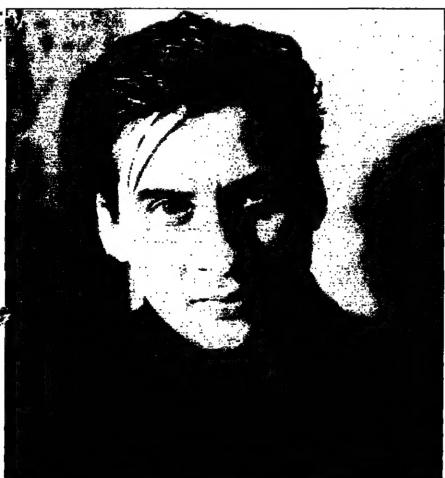
That will tell us whether Graham Vick, after a string of poor productions, has found his form

He crosses the Atlantic next month to stage Moses und Aron for the Met, with John Tomlinson and Philip Langridge in the title roles (February 8).

In Europe, too, English direc- 1994 fire.

moment. Martin Duncan returns to Munich for La clemenza di Tito, David Pountney tackles The Greek Passion at Bregenz and Keith Warner will produce Lohengrin at Bayreuth. In Paris, Phyllida Lloyd stages Macbeth, in a season including new produc-tions of Platte, Wazzeck and Don Giovanni, with Terfel singing the title role for the first time on

After extensive renovation, the Chatelet re-opens in October with two Gluck productions conducted by John Eliot Gardiner. Another historic theatre due to re-open its doors this year is Barcelona's Liceu, risen from the ashes of the



Marcelo Alvarez: bei canto is the natural territory for his medificous voice

the FT published a list of 10 young singers and musicians who had been marked out as names for the future. Each had secured a record company contract, promising financial support and the backing of a large public not encouraging. The classical record industry is in the throes of one of its periodic bouts of restructuring, and record industry executives are saying that they cannot take on new artists for whom there is no demand.

Few conductors of the younger generation have captured the public imagination and there is resistance to what is seen as the hyping of young instrumentalists, particularly girl violinists. Without question it is last

year's singers who are making the grade. Tenor José Cura, baritone Matthias Goerne and sopranos Natalie Dessay and Christine Schäfer have all advanced in their recording careers. But the front runner is probably an unexpected candidate: the counter-tenor Andreas Scholl exceeded all predictions for 1998. On the Saturday before Christmas it was possible to walk into six of Scholl's latest disc playing in

four of them. Barely a year after he had signed a contract with Harmonia Mundi, one of the larger independent companies, Scholl was poached by Decca, with whom he is now an exclusive artist. Whatever marketing he was given before, we can now expect it to grow exponentially. Is the industry about to sell us the first counter-tenor superstar? Evidently there are managers in rival record companies who think so, as there is now a race to sign up counter-tenors who might

replicate Scholl's success. For its part, Virgin Classics can claim to have signed up a good one. David Daniels first came to international attention when he made his memorable Glyndebourne debut in Handel's Theodora in 1996. Covent Garden followed last year together with debuts in New York, Munich and San Francisco. Scholl may have captured the high ground in the concert hall, but Daniels's stronger sense of theatre has made him number one in the opera house - at least for the time being. His first recording for Virgin was a disc of Handel operatic arias. middleweight voice, and The battle of the counter- Alvarez also sings French tenors is under way.

opera: two areas in need of Another frequent visitor to new tenor talent.

New recording stars

## Voices before batons

It's becoming harder to get a hearing, writes Richard Fairman

relations machine. But the the world's top opera houses outlook for the class of 99 is is the Russian soprano business of competing for in their 30s or 40s. At 22, lished, having worked his new opera stars, the record appearance in Bellini's companies are still prepared Norma in Toronto last year to work patiently with spurred one of the FT's instrumentalists. It is not so North American critics to long since the flautist James Galway was a household bestow on her exceptional name, and EMI is doubtless praise. Coming from Moscow rather than St Petersburg. hoping to achieve as high a source of the recent influx of level of recognition for its young Swiss-French flautist Russian singers, she has staked her claim to the core mmanuel Pahud, who has Italian repertoire at the succeeded to Galway's old highest level. Last summer position as principal flute she sang leading Verdi roles with the Berlin Philharat the Munich and Salzburg monic Orchestra, Pahud festivals; at the Metropolitan plays with superb musicianship (a disc of Haydn flute Opera, New York, she has appeared in Verdi's Don concertos is his latest Carlo and has four more release) and the marketing Verdi operas planned. It is fitting that her first two stupeople will see no harm in his dark good looks gracing dio opera recordings will be the album covers. EMI is to be congratulated rare Verdi operas - Jérusoiem and Alzira - in the Phil-

for putting investment into young musicians. Its Debut" series has given a first chance to several dozen singers and instrumentalists and - remarkably - one composer. Thomas Adès featured in the first group of discs and the success of that venture led to a second "Debut" disc and a complete recording of his opera, Powder her Face. The composer, still under 30, has shown that it is possible to attract listeners to high quality new music if the thinking is original and the style communicative. His next opera has been commissioned by the Royal Opera for its new house in 2001.

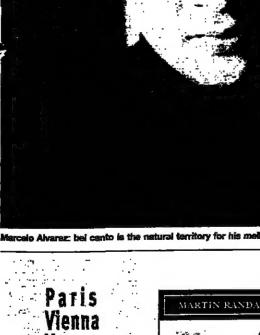
By its very nature the Debut series concentrates on artists who do not yet have establishing a creditable track record. Among the latest group two have attracted particular notice. The 17 year-old French planist Jonathan Gilad has won his fair share of competition medals, and his debut disc of Mozart, Beethoven and Brahms has been attracting good notices from piano experts. Percussionist Colin Currie, Edinburgh-born, in his early 20s. has the example of Evelyn Glennie before him in the popularity stakes, but his eclectic disc of contemporary percussion music suggests an artist who will strike out

By far the most difficult

Daniel Harding is an exception, and it is predictable that he has featured on almost every list of notable newcomers for the last couincluding him here is that he has become an exclusive artist with Virgin Classics. starting his contract with an enthralling disc of Lutoslawski orchestral music and song cycles. In the past year he has also conducted the Peter Brook Don Giovanni mentioned above and Welsh National Opera's highlypraised Jenufa, so his potential looks to be holding up.

Now approaching 40. Christian Thielemann is by

way up from répétiteur on recordings to attaining his own musical directorship at the Deutsche Oper, Berlin, ple of years. The reason for In all fairness he should probably have been included in last year's 10, as that was the point when this very Teutonic conductor had signed his contract with Deutsche Grammophon and seen the release of a handful of orchestral recordings, But his first big operas, led by Strauss's Die Aegyptische Helena, with which he scored such a hit in concert with the Royal Opera, are only now forthcoming, so Thielemann's inclusion here far the oldest of this group. is better late than never.



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ne of the most exciting discs of 1998 was the recital of Mozart opera and concert arias by the biggest record stores in Véronique Gens (to which central London and hear the conductor Ivor Bolton gave vital support). That was the first fruit of her new gin Classics and it certainly raised hopes for their future plans. This very appealing French soprano, with her pure but warm voice, has matured into an artist with wider potential. She played Donna Elvira in Peter Brook's production of Don Giovanni last year and looks set to make Mozart her calling-card in the medium term. In 1995 French critics

voted her "Musical Revela-

tion of the Year". Maybe we

are just slow to catch on this

ips Verdi series.

side of the Channel. The Argentine tenor Marcelo Alvarez made his professional operatic debut only in 1995, but opera houses tend to snap up tenors as soon as they leave college. After three years on a rapid reconnaissance of Europe's leading opera houses, he passed through the UK last spring for an acclaimed appearance in La traviata with the Royal Opera at the Royal Albert Hall and made his first recital disc as an exclusive artist with Sony Classical. That was of bel canto, the natural territory for his mellifluous light to

assured careers, but it is on his own path.

job is to be a talent-spotter of conductors. A young conductor is almost a contradiction in terms, since most only emerge as having seri-

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Weimar is more than a series of museum pieces - it is the emblem

of the resurgence of eastern Europe, says Jackie Wullschlager

wobbly democracy that gave way to Hitler; it conjures up husky decadence, the world of Lotte Lenya or Cabaret. To designers it is the birthplace of Bauhaus; to musicians the city of Bach and Liszt; to art historians that of Lucas Cranach and the glory of Reformation painting. But to everyday Germans Weimar will always resonate as the home of Goethe and Schiller, cradle of German classicism.

In the 19th century, before Germany was even unified, it was the unofficial cultural capital, a vital stop on the Grand Tour at a time when Berlin barely featured on the map. Thackeray satirised the town's Hotel Elephant in Vanity Fair, and Hans Christian Andersen on his tour across Europe wrote that as he drove "over the bridge and past the mill, and for the last time looked back to the city and the castle, a deep melancholy took hold of my soul ... I thought my journey, after I had left Weimar, could afford no more pleasure". A century later, Hitler built Buchenwald concentration camp down the road, and after the war the town slipped into decay under east German rule. This year Weimar, the tiny

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city nestling in the Thuringian hills which was forgotten by the world for 40 years, is coming to life again like Sleeping Beauty's castle. To celebrate a crowd of anniversaries in 1999 - Goethe's 250th birthday and Schiller's 240th. 80 years since the beginnings of Bauhaus and since the Weimar government held its first session in Goethe's theatre, and 10 years since German unification - it is European City of Culture for 1999, the smallest city ever chosen and the first from the former eastern European states.

Can it shape up as a mecca for international culture, and what are the local ingredients it can offer the global arts traveller? In this premillennial year, it is selling placed to mix retrospection

o foreigners, it is tory speak so loud as from the name of the Weimar's Altstadt (old

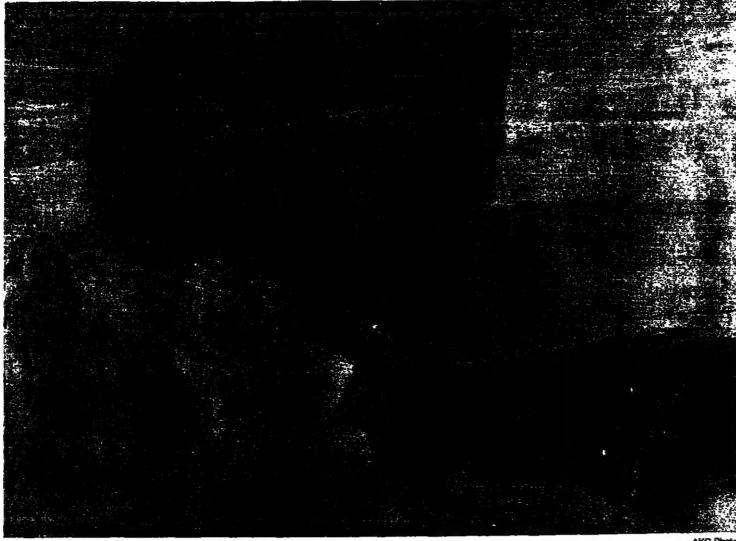
Within minutes you can stroll from Goethe's and Schiller's houses on the Frauenplan to the quirky, delightful Hotel Elephant, which has played host to guests from Bach and Tolstoy to Gorbachev and Chirac: from Goethe's stammtisch at the old cafe Zum Weissen Schwan ("At the White Swan") to the Bauhaus Museum, bome of the early works of Kandinsky. Klee and Walter Gropius, or from the pink and gold town church on Herderplatz which houses Cranach's famous Protestant Cruxifixion altarpiece to the cluster of rocoço palaces and classical facades, where the art-ob-sessed dukes of Weimar held their "muses court".

Through the woods from one of them, Duchess Anna Amalia's Ettersburg Castle, a short path leads to Buchenwald, where prisoners in the camp had to make replicas of the furniture in Schiller's study and build the crates in which the books from Weimar's classical libraries were moved out of bombing range. Buchenwald will forever cast its gloom on the city; nowhere in Germany is the question of how high culture yielded to barbarism more insistently present than here.

Yet Weimar is not just a series of museum pieces. Today, it is an emblem of the resurgence of eastern Europe; it is still hardly a capitalist success story, and there remains in some quarters nostalgia for the security of the old regime, but traditions naturally ally it to ing in to renovate public buildings and restore its grand parks and riverways.

The French conceptual art-

ist Daniel Buren is redesigning the Rollplatz square, one of the oldest in the city, with something like the audacity of Paris's Louvre; white and coloured stripes on stelae and quadrants rise and slope itself as a town uniquely to and from the centre, creating a striking display of with an eve on the future. coloured surfaces. The State



Dodin and the Maly Theatre

of St Petersburg of Andrei

Platonov's On the Road to

realist drama about the first

utopias; and with the Plov-

div Theatre for a Bulgarian-

French-German play about

the crowning of the millen-

ary/February).

Goethe's renovated court theatre, built in 1791, opens in February with Alexander Lang's production of Faust one of the highlights of European theatre in 1999. Faust, the man who bargained his soul to the devil and travelled "from heaven through the world to hell", tural programme. All 47 films ever made of Faust will be shown; Ismael Ivo's Mephisto (February) and Michael Simon's Urfaust Ran from New York are dance versions of Goethe's play; in a co-production with the Berlin Schaubühne feminist director Edith Clever retells the story as Goethe's Women (August-September) and one

ert Wilson is in town for a premiere of Death, Destruction and Detroit III (May), about Rudolf Hess, a man "who refused to die", and of the musical highlights is a Kafka, "a man who refused production of Berlioz's La to live", set at the time of Domnation de Faust (March). Otherwise, the excitement

From few networks of Museum, neglected after of the theatre programme is feel to all this which is carstreets in Europe does his- 1945, reopens this month as its tendency to look east. ried through in the concert

Among Weimar's coups are month with Sir Neville Marico-productions with the Georgian director Reso Gabriadse of Pushkin's Journeys (June), celebrating the bicentenary. It continues Russian poet's bicentenary with Daniel Barenboim and with a drama of his fictional trip round Europe: with Lev

Brahms was an enemy of Weimar ("I realised soon enough that I didn't fit in there. I would have had to lie") - followed by the Kirov Opera and Berlioz's Grande man soil for the first time Messe des Morts (June); a when Zubin Mehta conducts

landmark production of Mahler's Resurrection symphony (August), in which Jewish and German musicians come together on Ger-

the Bavarian State Orchestra; and culminates with John Eliot Gardiner beginning in Weimar his project to record The Christmas Oratorio and all Bach's cantatas at historical sites for Bach Year 2000 (December).

Weimar cannot help itself: it is nothing if not lofty and highbrow. You can eat and drink well - heavy, spicy meats, "Kaffee und Ruchen" local fruity wines - but this is not a sybarite's venue. Even the restaurants, the black and silver art deco Anna Amalia in the Hutel Elephant and the Bauhaus Wolff's Art Hutel, are mostly

In the cemetery grand dukes and poets lie side by eide and like any city that has built itself on culture, Weimar is intensely selfquestioning. Its exhibition programme begins with a massive historical show about the first German Republic, "The Path to Weimar" (from February), and a sculpture show, "The Naked Napoleon" (January-March) about art. idols and forgery.

"The Rise and Fall of Modernism. 1890-1990" (May-August) is the story of the avant-garde versus the conservative in German art, complemented by a dazzling programme of music banns

by Hitler, "Degenerate Musi 1938" (May-August), and by the controversial "The GDR Art Scene 1945-1989" (Suptember-December). It ends with an English curator's attempt to answer the question Weimar believes will still obsess its visitors in 1999: Henry Meyric Hughes exhibition (September-December) "Who's Afraid of

**Anniversaries** 

# The great survivors

nium. The Coronation (Januoffers plenty of com-Among western stars, Robries, as every year does. But there is an odd, thought-provoking pair of them this time: just 50 years past, on September 8. Richard Strauss died: while Francia Poulenc was born on January 7 a whole century ago.

That sounds the Wr way round, somehow. Most of us think of Strauss as a 19th-century Romantic, brilliantly "radical" in his early career, who soon found himself entrenched as a paid-up conservative while he lived on and on outliving both Berg and Webern, although he died two years before

Schoenberg did. By contrast, Poulenc has always typified the brittle 1920s: sharp, witty, knowing, appeal, decidedly shortbreathed though acutely aware of new musical developments around him, and no ess critically aware of how much he could do within the special limits of his composiorial range.

What links Strauss and Poulenc is that, long since, they have both been judged reactionary" composers creatures dislocated from their Modernist times, almost 20th-century dinosaurs; yet they have never fallen out of fashion. No German or Austrian composer has steadily survived like Strauss; nor has any other member of the snookcocking "Les Six" group but Poulenc. Honegger and Mil-haud still lurk among the descending shadows, but been Die Liebe der Danae, Auric, Durey and Tailleferre have dwindled to historical

about Strauss is that nearly Don Juan, Death and Transfiguration, Till Eulen-

large orchestra, an extravagant roster of principals (all of whom must really be able to sing) and a great spread of were composed in the 19th luxuriant sets. At 76, he century (bar Don Quixote,

thought that no less than his David Murray finds the romantic Strauss and the brittle Poulenc creatures dislocated

the ridiculous "Alpine" Sym-phony), and all his success-second world war not interful operas in the 20th. Once his third opera Salome (1905) achieved a resounding international triumph, after his neo-Wagnerian Guntrum and bawdy Das Liebesverbat shameless about popular (which enjoyed provincial successes, but little more). he turned himself into a full-time opera-composer and

In all the rest of his 20thcentury work, his dozen further operas were his main concern. "Symphonic" music cropped up only on the margins of that, mostly as ballets - less prominent than his incessant production of songs, despite his incomparable orchestral know-how. Although Der Rosenkavaller (1911) was his last, almost instant worldwide success. other turn-of-the-century most of Strauss's later operas have insinuated themselves little by little into the mainstream reper-toire: Ariadne ouf Nazos, Die Frau ohne Schatten, Arabella, Daphne, Capriccio.

The missing factor has the "cheerful mythology"

from their Modernist times

know the recording of the Salzburg dress rehearsal, the Generalprobe, which was as far as the splendid original cast for Danae went. The Allied forces were coming too close, so the "first night" was cancelled. After the war, Danae got lost; Strauss's interest in it had cooled, and besides he had gone on - to his own surprise - to write

Capriccio, a mere "conversa-

tion-piece for music", which

is now heard the world over. In Britain, the halfcentenary of Strauss's death will be marked by a Danae production (almost a contradiction in terms) at the plucky little Garsington Festival next summer, if their fractious neighbours permit. It will nevertheless be the first British staging, and tickets will soon be impossible to find. You have been warned.

Poulenc's centenary is more awkward. The glories of his quirky, irresistibly appealing oeuvre are, first, that Strauss composed as his the chamber music, which

self an unrestricted canvas: late wind sonatus are incomparable); second, the br liantly fluent plano music which is not neglected; third, the popular "sacred" pieces Stabat Mater); and finally his wonderful songs - loads of them, though fully acres sible only to people with

Poulenc loved the contemporary "Surréalistes" above all: although in his music they are made to sing superbly, they resist transla-

The Wigmore Hall concert that marked his exact centenary last week sold out months in advance. But there are other celebratory recitals on the agenda. His one, poignant, full-scale opera, Dialogues des Carnulites, is being revived all over Europe, but not in the Ul Nor is his vaudeville-opera Les Mamelles de Tirésias. which I think his most individual, definitive work. along with the delectable two-piano concerto from

And what about the purely orchestral music, and the ballets? I've never heard Les in London, though its "Dawn" prologue is unforgettably affecting even beyond its obvious model, Ravel's "Lever du jour" in

Never mind; Poulenc seems to be always with us Infinitely sophisticated on the margins, wry, mocking, wittily concise; and, on occasion, without disguise, sentimental beyond what any other decent 20thcentury composer would risk. We need to keep him



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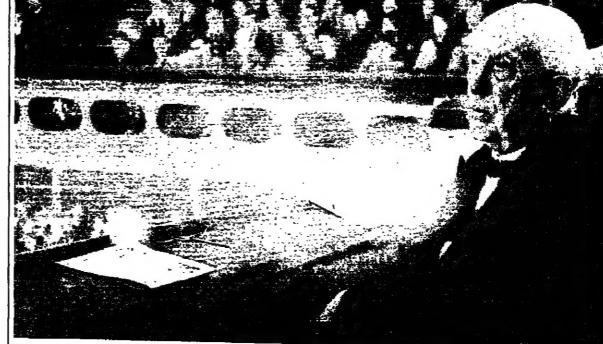




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Strauss at London's Theatre Royal, Drury Lane in 1947, during a feetival in his honor

